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# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

**TUESDAY - JANUARY 8, 1991- 4:00 P.M.**

## AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: President Paretchan, Vice President Zvanski, Commissioner Britt, Commissioner Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Loos
4. Minutes of Regular Meeting of December 11, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Report of Rates and Benefits Committee - Commissioner Deignan, Chair
8. Old Business -
9. New Business -
   a. Resolution Authorizing Contract to Provide Actuarial Study on the Inclusion of Domestic Partners and Expanded Dependent Children Eligibility.
   b. Certification of Average Contribution of Ten Most Populous Counties.
   c. Resolution of Support for Inclusion of Domestic Partners and the Broadened Definition of Dependent Children of City Workers for Eligibility in the System's Benefit Plans.
10. Supplemental Agenda -
11. Executive Director's Report -
12. Announcements -
    a. Set Annual Meeting Date
13. Adjournment -

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MINUTES

# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

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TUESDAY - JANUARY 8, 1991 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

| | | |
|---|---|---|
| Present: | President Paretchan | Commissioner Foster |
| | Vice President Zvanski | Commissioner Krueger |
| | Commissioner Britt | Commissioner Loos |
| | Commissioner Deignan | |

4. MINUTES OF REGULAR MEETING OF DECEMBER 11, 1990 SUBMITTED FOR APPROVAL.

   Commissioner Foster made a motion, which was seconded, to approve the minutes of the Regular Meeting of December 11, 1990. The motion was adopted (7-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the City Plan I experience through December (Exhibit 'A') reflecting a loss ratio of 76% for the month (91% for year to date) on medical benefits, 100 % on prescription drugs (100% for year), 94% on vision benefits (97% for year), and an overall loss ratio of 80% (93% year to date).

   He indicated that the experience was good in December, however, he was advised by Mr. Smith, who acknowledged the fact that there were holidays and two days of computer down time during December which affected the number of claims processed and in turn overall claim expenditures.

   Mr. Rael also presented the quarterly claim cost report (Exhibit 'B') and noted that there was an overall 14.8% cost increase for six months versus a 19.5% increase after three months thus demonstrating the additional value of reviewing six months versus only three months worth of experience.

   After questioning from the Board and discussion, the report was ordered filed.



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6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were 22 appeals this month with a recommendation to approve 13 appeals and deny 8 appeals with one appeal pending. Commissioner Zvanski made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 7-0 vote. There were four dental complaint letters provided to the Board this month.

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Deignan, Chair

Commissioner Deignan reported that the Committee met on December 17, 1990, and considered the following items:

a. HealthNet Health Plan made a presentation of their proposal to the City.

TakeCare Health Plan withdrew their proposal to the City.

b. Supplemental information was received from some of the current health plans:

Bridgeway Plan for Health
Bay Pacific Health Plan
Heals Health Plan
Foundation Health Plan

c. Additional discussion occurred on the Colonial, Safeguard and DentiCare Dental Plans

d. Colonial Life presented a proposed rider extending the one year accident/sickness policy to five years if an employee so desires.

e. U.S. Behavioral Health presented a Chemical Rehabilitation Treatment Program proposal.

f. a. The System actuary presented initial rates for the City Health Plan I

b. Pharmaceutical Card Systems, Inc., presented a drug interaction review program

c. Vision Care Plan presented a vision plan proposal covering all participants in the Health Service System.

There are no recommendations by the Committee at this time.

8. OLD BUSINESS - None

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9. NEW BUSINESS -

a. Resolution Authorizing Contract to Provide Actuarial Study on the Inclusion of Domestic Partners and Expanded Dependent Eligibility -

The Board heard verbal presentations and engaged in a question and answer session with four proposers who submitted proposals in response to the Request for Proposal.

There were twenty proposals sent out and four proposals were submitted, along with eight letters of declination and eight non responses.

The four proposals were received from the firms of Alexander & Alexander, Mitchell & Hartman, Inc., Treacy & Rhodes and Towers Perrin.

Commissioner Zvanski made a motion, which was seconded, to award a contract to Alexander & Alexander to conduct the actuarial study. After discussion, it was moved without objection to recess the meeting until Thursday, January 10th at 2:00 P.M. The meeting was recessed at 6:25 P.M.

NOTE: At the reconvening of the meeting on Thursday, January 10th at 2:00 P.M., all Board members were present except Commissioner Britt.

Commissioner Zvanski made a motion, which was seconded, to withdraw her motion to award the contract to Alexander & Alexander. The motion passed 6-0 vote.

Commissioner Zvanski made a motion, which was seconded, to award the contract to Towers Perrin (Exhibit 'C'). After discussion, the motion passed (5-1 vote, Deignan).

b. Certification of Average Contribution of Ten Most Populous Counties -

President Paretchan presented the resolution (Exhibit 'D') to certify the average contribution of the ten most populous counties based on the survey of these counties.

The survey reflected an increase of 14.4% in the average contribution from $142.24 to $162.73 per month. The increase by county reflected a range of 6.2% to 37.6%. The survey also reflected that the counties contribute an average of $261.71 for an employee with one dependent and $296.36 for an employee and two or more dependents (Exhibits 'E' to 'E-1').

After discussion, Commissioner Zvanski made a motion, which was seconded to certify the average contribution of $162.73 per month to the Board of Supervisors. The motion passed 6-0 vote.

9. NEW BUSINESS - (cont'd.)

   c. Resolution of Support for Inclusion of Domestic Partners and the Broadened Definition of Dependents of City Workers for Eligibility in the System's Benefit Plans -

      Commissioner Loos introduced a resolution of support for inclusion of Domestic Partners and the broadened definition of dependents. After discussion, Commissioner Loos made a motion, which was seconded, to adopt the resolution (Exhibit 'F') as amended. The motion passed by a 4-2 vote (Deignan, Paretchan).

10. SUPPLEMENTAL AGENDA - None

11. EXECUTIVE DIRECTOR'S REPORT -

    Mr. Smith reported the following:

    a. The outstanding claim count is at 4,486 as of December 28th compared to 5,328 last month.

    b. Heals Health Plan announced on December 31st that its acquisition by Qual-Med, Inc. is completed and that all governmental approvals have been received.

12. ANNOUNCEMENTS -

    a. The Annual Meeting date was set for January 28, 1991 at 5:00 P.M.

    b. The next Rates and Benefits Committee meeting was set for January 28, 1991 at 1:00 P.M.

13. ADJOURNMENT -

    There being no further business, President Paretchan adjourned the recessed meeting at 3:10 P.M. on Thursday, January 10, 1991.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

**REPORT BY ACTUARY ON CASH BASIS FOR THE JANUARY 8, 1991 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1990 through December 31, 1990

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 6,686,489 | $ 6,525,279 | 78% | 98% |
| Retired Employees (NM) | 2,749,127 | 2,569,705 | 75 | 93 |
| Retired Employees (M) | 2,696,790 | 1,513,344 | 45 | 56 |
| Adult Dependents (NM) | 2,766,318 | 2,715,873 | 98 | 98 |
| Adult Dependents (M) | 390,795 | 266,632 | 57 | 68 |
| Minor Dependents | 1,315,126* | 1,566,273 | 94 | 119 |
| TOTAL | $16,604,645 | $15,157,106 | 76% | 91% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 915,758 | $ 930,079 | 108% | 102% |
| Retired Employees (NM) | 403,673 | 371,643 | 96 | 92 |
| Retired Employees (M) | 1,215,180 | 1,225,121 | 96 | 101 |
| TOTAL | $ 2,534,611 | $ 2,526,843 | 100% | 100% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 251,470 | $ 254,203 | 99% | 101% |
| Retired Employees (NM) | 65,978 | 62,787 | 78 | 95 |
| Retired Employees (M) | 158,121 | 144,005 | 93 | 91 |
| TOTAL | $ 475,569 | $ 460,995 | 94% | 97% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 7,853,717 | $ 7,709,561 | 82% | 98% |
| Retired Employees (NM) | 3,218,778 | 3,004,135 | 78 | 93 |
| Retired Employees (M) | 4,070,091 | 2,882,470 | 62 | 71 |
| Adult Dependents (NM) | 2,766,318 | 2,715,873 | 98 | 98 |
| Adult Dependents (M) | 390,795 | 266,632 | 57 | 68 |
| Minor Dependents | 1,315,126* | 1,566,273 | 94 | 119 |
| TOTAL | $19,614,825 | $18,144,944 | 80% | 93% |

*Includes $351,000 of interest subsidy.

**HEALTH SERVICE SYSTEM**
**ANNUAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**

**1155 MARKET STREET, SECOND FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**MONDAY - JANUARY 28, 1991 - 5:00 P.M.**

A G E N D A

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:
   President Paretchan
   Vice President Zvanski
   Commissioner Deignan
   Commissioner Foster
   Commissioner Gonzalez
   Commissioner Krueger
   Commissioner Loos
4. President's Remarks -
5. Commissioner's Remarks -
6. Actuary Remarks -
7. Executive Director's Remarks -
   a. 1989-90 Draft Annual Report
8. Public Comments -
9. Adjournment -

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, FEBRUARY 12, 1991- 2:30 P.M.**

**CLOSED SESSION - 2:30 P.M.**

Pursuant to Government Code Sections 54956.9(B)(1) and 54957, the Health Service Board will meet in Closed Session to discuss a personnel appointment and a matter involving exposure to litigation.

**REGULAR AGENDA - 4:00 P.M.**

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: President Paretchan, Vice President Zvanski, Commissioner Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos
4. Minutes of Regular Meeting of January 8, 1991 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
   (See Exhibit 'A' for Appellants)
7. Report of Rates and Benefits Committee - Commissioner Deignan, Chair

   a. Consideration of Colonial Disability Plan for 1991-92.

   b. Consideration of Proposed Rates and Benefits of Contract Dental Plans for 1991-92.

      1. Colonial Life
      2. Safeguard
      3. DentiCare

   c. Consideration of Chemical Dependency Rehabilitation Program.

   d. Consideration of Freestanding Vision Plan.

e. Consideration of Proposed Rates and Benefits of Contract Health Plans 1991-92.

1. Kaiser Permanente Health Plan
2. Bridgeway Plan for Health
3. Bay Pacific Health Plan
4. Heals Health Plan
5. Foundation Health Plan
6. HealthNet Health Plan

f. Consideration of City Health Plan Rates and Benefits for 1991-92.

1. Medical Benefits
2. Prescription Drug Benefits-PCS
3. Vision Benefits-VSP

8. Report of Budget Committee - Commissioner Zvanski, Chair

a. Adoption of 1991-92 Administrative Budget.

9. Old Business -

10. New Business -

a. Adoption of 1989-90 Annual Report.

b. Consideration of Rescinding Previous Action to Move Open Enrollment Period to April, 1991 (Commissioner Loos).

c. Declaration of Vacancy for Health Service Board and Approval of Election Procedure.

11. Supplemental Agenda -

12. Executive Director's Report -

13. Announcements/Other Public Comment -

14. Adjournment -

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MINUTES

# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO
## HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

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TUESDAY - FEBRUARY 12, 1991 - 4:00 P.M.

CLOSED SESSION - 2:30 P.M.

NOTE: The Health Service Board met in closed session on a personnel appointment and a litigation exposure matter. No action was taken by the Board.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:10 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

| | | |
|---|---|---|
| Present: | President Paretchan | Commissioner Foster |
| | Vice President Zvanski | Commissioner Krueger |
| | Commissioner Deignan | Commissioner Loos |

Absent: Commissioner Gonzalez

4. MINUTES OF REGULAR MEETING OF JANUARY 8, 1991 SUBMITTED FOR APPROVAL.

Commissioner Loos asked that a clarification in language be made under Actuarial Report to reflect that the three month data reported was not inaccurate, but that the period of time the data covered was too short to provide accurate cost data.

Commissioner Deignan made a motion, which was seconded, to approve the minutes as amended, of the Regular Meeting of January 8, 1991. The motion was adopted (6-0 vote).

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the City Plan I experience through January (Exhibit 'A') reflecting a loss ratio of 99% for the month (92% for year to date) on medical benefits, 130 % on prescription drugs (104% for year), 80% on vision benefits (94% for year), and an overall loss ratio of 102% (94% year to date).

Mr. Rael noted that there were three biweekly prescription drug invoices during January which skewed the drug experience. There was also three biweekly payroll periods reported in the contributions received.

After questioning from the Board and discussion, the report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were 23 appeals this month with a recommendation to approve 10 appeals and deny 12 appeals with one appeal pending (Exhibit 'B'). Commissioner Zvanski made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was adopted 6-0 vote. There were five dental complaint letters provided to the Board this month.

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Deignan, Chair

Commissioner Deignan reported that the Committee met on January 28 and February 4, 1991, and made recommendations on some items while still studying others. The status on each item is as follows:

a. Consideration of Colonial Disability Plan for 1991-92 -

| | |
|---|---|
| Committee Recommendation: | To continue the Colonial Disability Plan during 1991-92 and allow Colonial to offer an extended rider (from one year to five years) on the accident and sickness policies (3-0 vote) |
| Board Action: | Approve the Committee Recommendation. Commissioner Krueger, seconded by Commissioner Zvanski (6-0 vote). |

b. Consideration of Proposed Rates and Benefits of Contract Dental Plans for 1991-92 -

| | |
|---|---|
| Committee Recommendation: | To continue all three dental plans during 1991-92. There are no changes in rates or benefits.<br><br>a. Colonial Life (3-0 vote)<br>b. Safeguard (3-0 vote)<br>c. DentiCare (3-0 vote) |
| Board Action: | Approve the Committee Recommendation Commissioner Zvanski, seconded by Commissioner Krueger (6-0 vote). |

c. Consideration of Chemical Dependency Rehabilitation Program -

| | |
|---|---|
| Committee Recommendation: | This item has not been acted on at this time. It is still being studied in Committee. |
| Board Action: | No action taken at this time. |

7. REPORT OF RATES AND BENEFITS COMMITTEE - (cont'd.)

d. Consideration of Freestanding Vision Plan -

Committee Recommendation: To provide a free standing vision care program for all HMO participants except Kaiser (3-0 vote). The specific benefit program and type of financing to be provided through Vision Service Plan is still to be determined.

To retain the present vision benefit rider provided through the Kaiser Health Plan for Kaiser participants (Vote of 2-1 Krueger).

Board Action: No action taken at this time.

e. Consideration of Proposed Rates and Benefits of Contract Health Plans 1991-92 -

a. Kaiser Permanente Health Plan
b. Bridgeway Plan for Health
c. Bay Pacific Health Plan
d. Heals Health Plan
e. Foundation Health Plan
f. HealthNet Health Plan

Committee Recommendation: The proposed rates and benefit changes on existing contract health plans have not been acted upon by the Committee.

Those recommendations which have been made involving contract health plans are as follows:

1. To reject inclusion of a Gamete Intrafallopian Tube Transfer (GIFT) benefit rider (3-0 vote).

2. To not allow expansion of the Foundation Health Plan service area for the 1991-92 year (3-0 vote).

3. To reject contract proposal of Health Net Health Plan for the 1991-92 year (3-0 vote).

Board Action: 1) Reject the inclusion of GIFT benefit rider. Commissioner Zvanski, seconded by Commissioner Loos (6-0 vote).

2) Not allow service area expansion of Foundation Health Plan for 91-92 Fiscal Year. Commissioner Zvanski, seconded by Commissioner Foster (6-0 vote)

3) Reject contract proposal of Health Net Health Plan for 91-92 Fiscal Year. Commissioner Zvanski, seconded by Commissioner Krueger. After discussion, the motion was adopted 5-1 vote (Loos).

7. REPORT OF RATES AND BENEFITS COMMITTEE - (cont'd.)

f. Consideration of City Health Plan Rates and Benefits for 1991-92 -

a. Medical Benefits
b. Prescription Drug Benefits-PCS
c. Vision Benefits-VSP

Committee Recommendation: The proposed rates and benefit changes for the City Health Plan have not been acted upon by the Committee.

Those recommendations which have been made are as follows:

1. To approve a drug utilization review program to be added to the Pharmaceutical Card System (PCS) plan (3-0 vote).

2. To approve increase in the Vision Service Plan administrative fee from $.50 to $.55 per member effective July 1, 1991 (3-0 vote).

Board Action: 1) Approve drug utilization review program. Commissioner Foster, seconded by Commissioner Zvanski (6-0 vote).

2) Approve increase in VSP administrative fee from $.50 to $.55 effective July 1, 1991. Commissioner Zvanski, seconded by President Paretchan (6-0 vote).

8. REPORT OF BUDGET COMMITTEE - Commissioner Zvanski, Chair

a. Adoption of 1991-92 Administrative Budget

Commission Zvanski reported the following recommendations of the Committee:

1) Approve 1991-92 Administrative Budget of $2,380,040 (Exhibits 'C'- 'C-5').

2) Approve submission of supplemental budget request to include personnel sufficient to administer expansion of domestic partner/other dependent children, chemical rehabilitation and vision benefits.

3) Approve submission of a supplemental budget request to satisfy minimum requirements of Video Display Terminal safety requirements.

Commissioner Zvanski reported her meeting with Deputy Mayor Everhart wherein it was agreed to allow submission of a supplemental budget request to provide staffing support should domestic partner eligibility be approved.

After discussion by the Board and public on the current under staffing situation, Commissioner Loos made a motion, which was seconded, to approve the administrative budget of $2,380,040. The motion was adopted 5-1 (Paretchan).

8. REPORT OF BUDGET COMMITTEE - (cont'd.)

Commissioner Loos made a motion, which was seconded, to approve a supplemental budget submission for staffing to support the expansion of eligibility to domestic partners and other dependent children, the addition of a chemical rehabilitation program and expansion of vision benefits. The motion was adopted 5-1 (Paretchan).

Commisioner Loos made a motion, which was seconded, to approve a supplemental budget request to satisfy the minimum requirements of the VDT safety ordinance. The motion was adopted 6-0 vote.

Commissioner Loos made a motion, which was seconded, to approve a supplemental budget request for the additional staffing necessary to support existing programs. The motion was adopted 6-0 vote.

Commissioner Zvanski made a motion, which was seconded, to approve the rate increase of 4.35% for Rael & Letson for the 91-92 fiscal year. The motion was adopted 6-0 vote.

9. OLD BUSINESS - None

10. NEW BUSINESS -

    a. Adoption of 1989-90 Annual Report -

       Commissioner Loos made a motion, which was seconded, to adopt and publish the 1989-90 Annual Report. The motion was adopted 6-0 vote.

    b. Consideration of Rescinding Previous Action to Move Open Enrollment Period to April, 1991 (Commissioner Loos)-

       Commissioner Loos made a motion, which was seconded, to rescind the Board's prior action to move the open enrollment from May to April. The motion was adopted 6-0 vote.

    c. Declaration of Vacancy for Health Service Board and Election Schedule Procedure -

       The Board was provided with an election schedule (Exhibit 'D') and draft announcement for the upcoming election because of the term of office expiration of a member of the Health Service Board (Information item only).

11. SUPPLEMENTAL AGENDA - None

12. EXECUTIVE DIRECTOR'S REPORT -

    Mr. Smith reported the following:

    a. The outstanding claim count is at 5,197 as of February 8th compared to 4,486 last month. This is a 6 to 7-day backlog.

    b. Heals Health Plan announced that they have contracted with PCS to provide their prescription drug benefit effective March 1st.

    c. Pacific Peer Review and Health Care Evaluation, Inc. have announced a merger. The System currently contracts with both entities.

    d. TPF&C has reported that all data needs have been satisfied and that their report is still projected to be delivered by mid-March.

13. ANNOUNCEMENTS -

    a. The next Rates and Benefits Committee meeting was set for February 19, 1991 at 10:30 A.M.

14. ADJOURNMENT -

    There being no further business, President Paretchan adjourned the meeting at 5:25 P.M. in memory of Bill Reed, who passed away on February 2nd.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

# REPORT BY ACTUARY ON CASH BASIS FOR THE FEBRUARY 12, 1991 MEETING OF THE HEALTH SERVICE BOARD

## PLAN I

Experience for the period July 1, 1990 through January 31, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 8,153,495 | $ 7,790,974 | 86% | 96% |
| Retired Employees (NM) | 3,196,931 | 3,140,486 | 127 | 98 |
| Retired Employees (M) | 3,147,642 | 1,763,423 | 55 | 56 |
| Adult Dependents (NM) | 3,335,523 | 3,500,125 | 138 | 105 |
| Adult Dependents (M) | 456,586 | 308,022 | 63 | 67 |
| Minor Dependents | 1,583,675* | 1,874,533 | 115 | 118 |
| TOTAL | $19,873,852 | $18,377,563 | 99% | 92% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,116,358 | $ 1,158,287 | 114% | 104% |
| Retired Employees (NM) | 469,565 | 452,887 | 123 | 96 |
| Retired Employees (M) | 1,418,387 | 1,525,209 | 148 | 108 |
| TOTAL | $ 3,004,310 | $ 3,136,383 | 130% | 104% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 306,519 | $ 293,869 | 72% | 96% |
| Retired Employees (NM) | 76,746 | 73,703 | 101 | 96 |
| Retired Employees (M) | 184,500 | 167,091 | 88 | 91 |
| TOTAL | $ 567,765 | $ 534,663 | 80% | 94% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 9,576,372 | $ 9,243,130 | 89% | 97% |
| Retired Employees (NM) | 3,743,242 | 3,667,076 | 126 | 98 |
| Retired Employees (M) | 4,750,529 | 3,455,723 | 84 | 73 |
| Adult Dependents (NM) | 3,335,523 | 3,500,125 | 138 | 105 |
| Adult Dependents (M) | 456,586 | 308,022 | 63 | 67 |
| Minor Dependents | 1,583,675* | 1,874,533 | 115 | 118 |
| TOTAL | $23,445,927 | $22,048,609 | 102% | 94% |

*Includes $409,500 of interest subsidy.

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# HEALTH SERVICE SYSTEM
# REGULAR MEETING OF THE HEALTH SERVICE BOARD
# OF THE CITY AND COUNTY OF SAN FRANCISCO
# HELD IN THE BOARD MEETING ROOM
# 1155 MARKET STREET, FOURTH FLOOR
# SAN FRANCISCO, CALIFORNIA

## TUESDAY, MARCH 12, 1991- 4:00 P.M.

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## AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: President Paretchan, Vice President Zvanski, Commissioner Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos
4. Minutes of Regular Meeting of February 12, 1991 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
   (See Exhibit 'A' for Appellants)
7. Report of Rates and Benefits Committee - Commissioner Deignan, Chair
   a. Consideration of Freestanding Vision Plan.
   b. Consideration of Proposed Rates and Benefits of Contract Health Plans 1991-92.
      1. Kaiser Permanente Health Plan
      2. Bridgeway Plan for Health
      3. Bay Pacific Health Plan
      4. Heals Health Plan
      5. Foundation Health Plan
   c. Consideration of City Health Plan Rates and Benefits for 1991-92.
      1. Medical Benefits
   d. Consideration of Chemical Dependency Rehabilitation Program.
8. Old Business -
9. New Business -
10. Supplemental Agenda -
11. Executive Director's Report -
12. Announcements/Other Public Comment -
13. Adjournment -

Dist. 'C'
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Minutes

# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

TUESDAY - MARCH 12, 1991 - 4:00 P.M.

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1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

| | | |
|---|---|---|
| Present: | President Paretchan | Commissioner Krueger |
| | Vice President Zvanski | Commissioner Loos |
| Absent: | Commissioner Deignan | Commissioner Gonzalez |
| | Commissioner Foster | |

4. MINUTES OF REGULAR MEETING OF FEBRUARY 12, 1991 SUBMITTED FOR APPROVAL.

   Commissioner Krueger made a motion, which was seconded, to approve the minutes of the Regular Meeting of February 12, 1991. The motion was adopted (4-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the City Plan I experience through February (Exhibit 'A') reflecting a loss ratio of 95% for the month (93% for year to date) on medical benefits, 106 % on prescription drugs (105% for year), 84% on vision benefits (93% for year), and an overall loss ratio of 96% (94% year to date).

   Mr. Smith noted that the minor dependent rate would be at 96% if it did not include two cases on which the System has paid out $350,000 year to date. The February medical expenditures are also understated because of the absence of two claims processors for 13 working days in February.

   After questioning from the Board and discussion, the report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were 9 appeals this month with a recommendation to approve 6 appeals and deny 3 appeals (Exhibit 'B'). Commissioner Loos made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was adopted 4-0 vote.

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Deignan, Chair

Mr. Smith reported in the absence of Commissioner Deignan on the recommendations (Exhibits 7a - 7d) of the Rates & Benefits Committee. Since there is a Charter requirement that a two-thirds (5 votes) vote of the Board is required to approve plans, benefits, and rates of contribution, no vote could be taken with only four members present.

Mr. Smith also reported receiving a letter this date from Towers Perrin indicating that the actuarial study will be submitted between March 15th and March 21st. The letter also provided some initial cost projections. Towers Perrin staff were in attendance at the meeting.

Mr. Smith also reminded the Board that the timeframe in which to prepare and distribute open enrollment materials in a timely manner was in question. The Board then discussed when the next meeting would take place since sufficient Board members were not present to take action on the recommendations of the Committee. It was decided to schedule the meeting after receipt of the actuarial study.

8. OLD BUSINESS - None

9. NEW BUSINESS -

Mr. Martin Miller, TPF & C made a preliminary presentation to the Board on the findings of the study. The main points of his presentation were:

1) The City provides benefits on a contributory basis, i.e., the employee's benefits are essentially paid for by the City and the dependent's benefits are essentially paid for by the employees.

2) The range of costs for the addition of domestic partners on the City Health Plan would range from an optimistic projection of $380,000 to a pessimistic projection of $1,067,000. This large range, which is unusual, is caused by the projections of AIDS and AIDS related costs.

3) The costs would range from $4.33 to $12.14 per member per month.

4) Adult children would accrue a net benefit of $430,000 if added and paid for at the adult dependent rate. If charged at minor dependent rate, a cost of approximately $200,000 would occur.

5) Unrelated children would cost about $125,000.

Mr. Miller projected that the report will be delivered on March 21st. The Board and public engaged in a question and answer session with Mr. Miller. (Information item only).

10. SUPPLEMENTAL AGENDA - None

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 6,441 as of March 1st compared to 5,197 last month. This is an eight-day backlog. As previously mentioned, two processors were absent for 13 working days during February impacting the number of claims processed.

b. Three nominations for the Health Service Board have been received to date.

c. The final date for introduction of Charter amendments for November is May 20th.

12. ANNOUNCEMENTS -

a. There will be a special meeting of the Health Service Board on Tuesday, March 26, 1991.

13. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 5:30 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

**REPORT BY ACTUARY ON CASH BASIS FOR THE MARCH 12, 1991 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1990 through February 28, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 9,196,761 | $ 8,890,064 | 105% | 97% |
| Retired Employees (NM) | 3,611,665 | 3,637,015 | 120 | 101 |
| Retired Employees (M) | 3,594,016 | 1,983,747 | 49 | 55 |
| Adult Dependents (NM) | 3,759,385 | 3,926,770 | 101 | 104 |
| Adult Dependents (M) | 520,863 | 344,079 | 56 | 66 |
| Minor Dependents | 1,790,394* | 2,071,705 | 95 | 116 |
| TOTAL | $22,473,084 | $20,853,380 | 95% | 93% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,259,056 | $ 1,323,893 | 116% | 105% |
| Retired Employees (NM) | 530,629 | 515,123 | 102 | 97 |
| Retired Employees (M) | 1,619,627 | 1,724,795 | 99 | 106 |
| TOTAL | $ 3,409,312 | $ 3,563,811 | 106% | 105% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 345,678 | $ 327,093 | 85% | 95% |
| Retired Employees (NM) | 86,713 | 80,989 | 73 | 93 |
| Retired Employees (M) | 210,608 | 189,709 | 87 | 90 |
| TOTAL | $ 642,999 | $ 597,791 | 84% | 93% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $10,801,495 | $10,541,050 | 106% | 98% |
| Retired Employees (NM) | 4,229,007 | 4,233,127 | 117 | 100 |
| Retired Employees (M) | 5,424,251 | 3,898,251 | 66 | 72 |
| Adult Dependents (NM) | 3,759,385 | 3,926,770 | 101 | 104 |
| Adult Dependents (M) | 520,863 | 344,079 | 56 | 66 |
| Minor Dependents | 1,790,394* | 2,071,705 | 95 | 116 |
| TOTAL | $26,525,395 | $25,014,982 | 96% | 94% |

*Includes $468,000 of interest subsidy.

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**HEALTH SERVICE SYSTEM**
**SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, MARCH 26, 1991- 4:00 P.M.**

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AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Paretchan, Vice President Zvanski, Commissioner Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos

4. New Business -

   a. Actuarial Report of Towers Perrin on Cost of Inclusion of Domestic Partners/Adult Children/Unrelated Children

5. Report of Rates and Benefits Committee - Commissioner Deignan, Chair

   a. Consideration of Freestanding Vision Plan.

   b. Consideration of Proposed Rates and Benefits of Contract Health Plans 1991-92.

      1. Kaiser Permanente Health Plan
      2. Bridgeway Plan for Health
      3. Bay Pacific Health Plan
      4. Heals Health Plan
      5. Foundation Health Plan

   c. Consideration of City Health Plan Rates and Benefits for 1991-92.

      1. Medical Benefits

   d. Consideration of Chemical Dependency Rehabilitation Program.

6. Supplemental Agenda -

7. Adjournment -

HEALTH SERVICE BOARD

March 26, 1991

The Minutes of this meeting are missing.

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# HEALTH SERVICE SYSTEM
## RECESSED SPECIAL MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

**THURSDAY, APRIL 4, 1991 - 6:00 P.M.**

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AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: President Paretchan, Vice President Zvanski, Commissioner Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos
4. New Business -
   a. Actuarial Report of Towers Perrin on Cost of Inclusion of Domestic Partners/Adult Children/Unrelated Children
5. Report of Rates and Benefits Committee - Commissioner Deignan, Chair
   a. Consideration of Freestanding Vision Plan.
   b. Consideration of Proposed Rates and Benefits of Contract Health Plans 1991-92.
      1. Kaiser Permanente Health Plan
      2. Bridgeway Plan for Health
      3. Bay Pacific Health Plan
      4. Heals Health Plan
      5. Foundation Health Plan
   c. Consideration of City Health Plan Rates and Benefits for 1991-92.
      1. Medical Benefits
   d. Consideration of Chemical Dependency Rehabilitation Program.
6. Supplemental Agenda -
7. Adjournment -

**NOTE: THE RECESSED SPECIAL MEETING WILL CONTINUE WITH ITEM 5A.**

HEALTH SERVICE BOARD

April 4, 1991

The Minutes of this meeting are missing.

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# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD
## OF THE CITY AND COUNTY OF SAN FRANCISCO
## HELD IN THE BOARD MEETING ROOM
## 1155 MARKET STREET, FOURTH FLOOR
## SAN FRANCISCO, CALIFORNIA

**TUESDAY, APRIL 9, 1991- 4:00 P.M.**

## AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: President Paretchan, Vice President Zvanski, Commissioner Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos
4. Minutes of Regular Meeting of March 12, 1991 and Special Meeting of March 26, 1991 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Old Business -
8. New Business -
   a. Request of Pacific Physician Associates to Address Board
   b. Approval of 5% and 10% cuts in General Fund Portion of Administrative Budget
   c. Consideration of Senate Bill No. 1241
9. Supplemental Agenda -
10. Executive Director's Report -
11. Announcements/Other Public Comment -
12. Adjournment -

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# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

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TUESDAY - APRIL 9, 1991 - 4:00 P.M.

Minutes

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:10 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Paretchan
   Vice President Zvanski
   Commissioner Foster
   Commissioner Gonzalez
   Commissioner Krueger

   Absent: Commissioner Deignan
   Commissioner Loos

4. MINUTES OF REGULAR MEETING OF MARCH 12, 1991 SUBMITTED FOR APPROVAL.

   Commissioner Foster made a motion, which was seconded, to approve the minutes of the Regular Meeting of March 12, 1991. The motion was adopted (4-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the City Plan I experience through March (Exhibit 'A') reflecting a loss ratio of 118% for the month (95% for year to date) on medical benefits, 109% on prescription drugs (105% for year), 101% on vision benefits (94% for year), and an overall loss ratio of 116% (97% year to date).

   Mr. Rael also presented the Board a quarterly Comparison of Monthly Claim Costs (Exhibit 'B'). He indicated that the March experience adversely affected the monthly costs.

   After questioning from the Board and discussion, the report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there was only one appeal this month due to the absence of the Membership Representative. There is recommendztion to approve the one appeal (Exhibit 'C'). Commissioner Zvanski made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was adopted 4-0 vote.

7. OLD BUSINESS - None

8. NEW BUSINESS -

a. Request of Pacific Physician Associates to Address Board -

Dr. John Low addressed the Board on three issues:
1) The practice problems of primary physicians.
2) The reimbursement rate for medical services, i.e. office visits. The City is the lowest among fourteen contracts.
3) The possibility of directly contracting with the Health Service System instead of contracting through PHN.

Dr. William Andereck addressed the Board on his frustrations with PHN; the benefit incentives for use of a PPO physician in contrast to the standard plan; and the possibility of incentives to primary physicians to allow them to spend more time with patients.

Dr. Alison Lavoy asked that greater incentives be provided to seek out PPO physicians as well as going to primary physicians instead of specialists.

After discussion between the Board and the physicians, the item was referred to Rates and Benefits Committee for consideration (Information item only).

NOTE: Commissioner Gonzalez arrived during discussions of this item.

b. Approval of 5% and 10% cuts in General Fund Portion of Administrative Budget -

Mr. Smith presented the recommendations (Exhibit 'D') for 5% and 10% incremental cuts in the General Fund portion of the System's administrative budget. These proposed cuts were mandated by the Mayor's office for all departments of the City.

After discussion, Commissioner Zvanski made a motion, which was seconded, to approve the budget reduction submission. The motion was adopted (4-1 Paretchan).

c. Consideration of Senate Bill No. 1241 -

This bill (Exhibit 'E') authored by Senator Calderon (El Monte) would bring cities and counties under the jurisdiction of the Department of Insurance.

After discussion, it was moved by Commissioner Foster, and seconded to continue this item. The motion was adopted 5-0 vote.

9. SUPPLEMENTAL AGENDA

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

Commissioner Zvanski made a motion, which was seconded to hear the supplemental agenda. The motion was adopted 5-0 vote.

a. Consideration of Health Plans Alternate Rate Proposals -

Bridgeway and Bay Pacific Health Plans proposed lower contract rates for 1991-92 eliminating the risk sharing arrangements previously agreed upon.

Upon discussion and presentation by Bridgeway and Bay Pacific, Commissioner Zvanski made a motion, which was seconded, to adopt the modified rates of Bridgeway and Bay Pacific (Exhibit 'F') and to eliminate the risk sharing arrangements. The motion was adopted 5-0 vote.

b. Consideration of Open Enrollment Extension -

NOTE: Commissioner Gonzalez left the meeting during discussion of this item.

Mr. Smith reported that Employee RElations had sent out meet and confer notification to the employee organizations on April 8th. It is expected that the employee organizations will want to meet and confer on the issue of rates. In view of this occurrence and the late material dissemination, it is recommended that the open enrollment period be extended to June 7, 1991, which would allow notification of the extension in the open enrollment materials.

After discussion, Commissioner Krueger made a motion, which was seconded, to extend the 1991 open enrollment to June 7, 1991. The motion was adopted 4-0 vote.

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 8,684 as of March 29th compared to 6,441 last month. This is a ten to eleven day backlog. One reason for the increase in claims is that the average number received over the last month was 4,357 per week in comparison to a 3,902 per week average in the first 35 weeks of the fiscal year.

b. A rate request was received from Physical Therapy Provider Network for referral to Rates and Benefits Committee.

c. Heals Health Plan has advised us that they are experiencing contractual relation problems with Marin General Hospital and that they subsequently be notifying those affected Heals members of use of alternative hospitals within a reasonable distance from the member's residence.

10. EXECUTIVE DIRECTOR'S REPORT - (cont'd.)

    d. Colonial Life will be sending a letter which has been provided to the Board to existing disability policy holders announcing the 48 month extension rider to the disability plan.

11. ANNOUNCEMENTS -

    a. There will be a special meeting of the Health Service Board on Tuesday, April 16, 1991 to discuss meet and confer negotiations and domestic partner eligibility criteria.

13. ADJOURNMENT -

    There being no further business, President Paretchan adjourned the meeting at 5:37 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

**REPORT BY ACTUARY ON CASH BASIS FOR THE APRIL 9, 1991 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1990 through March 31, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $10,250,938 | $10,184,709 | 123% | 99% |
| Retired Employees (NM) | 4,076,347 | 4,219,855 | 125 | 104 |
| Retired Employees (M) | 4,037,942 | 2,328,860 | 78 | 58 |
| Adult Dependents (NM) | 4,191,741 | 4,545,025 | 143 | 108 |
| Adult Dependents (M) | 589,302 | 399,463 | 81 | 68 |
| Minor Dependents | 1,997,353* | 2,318,304 | 119 | 116 |
| TOTAL | $25,143,623 | $23,996,216 | 118% | 95% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,403,290 | $ 1,495,088 | 119% | 107% |
| Retired Employees (NM) | 598,672 | 576,632 | 90 | 96 |
| Retired Employees (M) | 1,819,723 | 1,941,026 | 108 | 107 |
| TOTAL | $ 3,821,685 | $ 4,012,746 | 109% | 105% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 385,264 | $ 367,670 | 103% | 95% |
| Retired Employees (NM) | 97,839 | 91,593 | 95 | 94 |
| Retired Employees (M) | 236,567 | 215,942 | 101 | 91 |
| TOTAL | $ 719,670 | $ 675,205 | 101% | 94% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $12,039,492 | $12,047,467 | 122% | 100% |
| Retired Employees (NM) | 4,772,858 | 4,888,080 | 120 | 102 |
| Retired Employees (M) | 6,094,232 | 4,485,828 | 88 | 74 |
| Adult Dependents (NM) | 4,191,741 | 4,545,025 | 143 | 108 |
| Adult Dependents (M) | 589,302 | 399,463 | 81 | 68 |
| Minor Dependents | 1,997,353* | 2,318,304 | 119 | 116 |
| TOTAL | $29,684,978 | $28,684,167 | 116% | 97% |

*Includes $526,500 of interest subsidy.

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**HEALTH SERVICE SYSTEM**
**SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**

**1155 MARKET STREET, SECOND FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, APRIL 16, 1991- 4:00 P.M.**

# AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

| | |
|---|---|
| President Paretchan | Commissioner Gonzalez |
| Vice President Zvanski | Commissioner Krueger |
| Commissioner Deignan | Commissioner Loos |
| Commissioner Foster | |

4. Results of Meet and Confer with Employee Organizations.

5. Eligibility Provisions and Administrative Requirements for Domestic Partners and Children of Domestic Partners.

6. Adjournment.

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HEALTH SERVICE BOARD

April 16, 1991

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**HEALTH SERVICE SYSTEM**
**SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**

**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**WEDNESDAY, APRIL 24, 1991- 9:30 A.M.**

**CLOSED SESSION - 9:30 A.M.**

Pursuant to Government Code Section 54957.6, the Health Service Board will meet in Closed Session to instruct its representatives concerning discussions with Employee Organizations regarding fringe benefits.

**SPECIAL AGENDA - 10:00 A.M.**

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1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:
   President Paretchan
   Vice President Zvanski
   Commissioner Deignan
   Commissioner Foster
   Commissioner Gonzalez
   Commissioner Krueger
   Commissioner Loos
4. Results of Meet and Confer with Employee Organizations.
5. Eligibility Provisions and Administrative Requirements for Domestic Partners and Children of Domestic Partners.
6. Adjournment.

Dist. 'C'
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HEALTH SERVICE BOARD

April 24, 1991

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**HEALTH SERVICE SYSTEM**
**SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**

**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, APRIL 30, 1991- 10:30 A.M.**

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**CLOSED SESSION - 9:00 A.M.**

Pursuant to Government Code Section 54957.6, the Health Service Board will meet in Closed Session to instruct its representatives concerning discussions with Employee Organizations regarding fringe benefits.

**SPECIAL AGENDA - 10:30 A.M.**

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: President Paretchan, Vice President Zvanski, Commissioner Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos
4. Consideration of Modification to Contribution Rates for 1991-92 Fiscal Year.

   Action:
5. Consideration of Affidavit Forms and Rule Changes Concerning Eligibility Provisions and Administrative Requirements for Domestic Partners and Children of Domestic Partners.

   Action:
6. Public Comment.
7. Adjournment.

Dist. 'C'
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HEALTH SERVICE BOARD

April 30, 1991

The Minutes of this meeting are missing.

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# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM

DOCUMENTS DEPT.
MAY 14 1991
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## 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

## TUESDAY, MAY 14, 1991- 4:00 P.M.

## CLOSED SESSION - 2:30 P.M.

Pursuant to Government Code Sections 54956.9(B)(1), 54957 and 54957.6, the Health Service Board will meet in Closed Session to discuss a personnel appointment, a matter involving exposure to litigation and to instruct its representatives concerning discussions with Employee Organizations regarding fringe benefits.

## AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Paretchan, Vice President Zvanski, Commissioner Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos

4. Minutes of Regular Meeting of April 9, 1991 and Special Meetings of March 26, April 24, and April 30, 1991 submitted for approval.

   Action:

5. Actuarial Report - Rael & Letson

   Action:

6. Report of Appeals Committee - President Paretchan, Chair

   Action:

7. Old Business -

8. New Business -

   a. Reconsideration of Contribution Rates for 1991-92 Fiscal Year As A Result Of Meet And Confer With Employee Organizations

   Action:

   b. Authorization To Attend IFEB Benefits Conference for Public Employes in Boston, Massachusetts, July 8-10, 1991

   Action:

8. New Business - (cont'd.)

   c. Open Enrollment Report

   Action:

9. Supplemental Agenda -

10. Executive Director's Report

11. Announcements/Other Public Comment

12. Adjournment -

MINUTES

# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

TUESDAY - MAY 14, 1991 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

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3. ROLL CALL -

Present: President Paretchan
Vice President Zvanski
Commissioner Deignan
Commissioner Foster
Commissioner Krueger
Commissioner Loos

Absent: Commissioner Gonzalez

4. MINUTES OF REGULAR MEETING OF APRIL 9, 1991 and SPECIAL MEETINGS OF MARCH 26, APRIL 24, AND APRIL 30, 1991 SUBMITTED FOR APPROVAL.

Commissioner Loos asked that the minutes be amended to reflect that he was not at the April 9th regular meeting.

Mr. Smith indicated that the City Attorney, Mr. Kolm, requested a correction to the statement attributed to him at the continued meeting of April 4th. The statement should read "The City Attorney, Mr. Claude Kolm, stated that he had no knowledge that Mr. Loos was not qualified to sit on the Board."

Additionally, the incorrect version of Exhibit 'A' Eligibility was included in the minutes of April 30, 1991.

The incorrect version reflected erroneous language in section a5. It should read "The member and the individual are liable to third parties for any obligations incurred by the other for the common necessaries of life, defined as food, shelter, and medical care and this shall remain the case for expenses incurred during the period that the non-employee domestic partner is covered by the Health Service System."

Commissioner Foster made a motion, which was seconded, to approve the minutes as amended of the Regular Meeting of April 9, 1991 and the Special Meetings of March 26, April 24, and April 30, 1991. The motion was adopted (6-0 vote).

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the City Plan I experience through April (Exhibit 'A') reflecting a loss ratio of 97% for the month (96% for year to date) on medical benefits, 110% on prescription drugs (106% for year), 94% on vision benefits (94% for year), and an overall loss ratio of 99% (97% year to date).

Commissioner Krueger inquired about the high loss ratio (106%) for prescription drugs because of recent year cost problems in this area. Mr. Rael indicated that we are in better cost containment position with this administrator than the System was with Paid Prescriptions. He felt that everything is being done that can without benefit reductions. Commissioner Foster indicated that prescription drug costs are a national problem. After discussion, a drug utilization cost report was asked for by the Board.

Mr. Smith indicated that one benefit roll did not get posted in April, thereby distorting the claim expenditures.

The report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were nine appeals this month. There is a recommendation to approve five appeals and deny four appeals (Exhibit 'B'). Commissioner Deignan made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was adopted 6-0 vote.

7. OLD BUSINESS - None

8. NEW BUSINESS -

a. Reconsideration of Contribution Rates for 1991-92 Fiscal Year As A Result of Meet and Confer with Employee Organizations -

Mr. Smith reported that the Board met in closed session with their labor negotiator and were briefed on the current status of negotiations and have instructed their negotiator on how to proceed. The item was continued.

b. Authorization to Attend IFEB Benefits Conference for Public Employees in Boston, Massachusetts, July 8-10, 1991 -

Commissioner Deignan made a motion, which was seconded, to approve authorization for Board members and staff to attend IFEB conference July 8-10, 1991. The motion was adopted 6-0 vote (Exhibit 'C').

c. Open Enrollment Report -

Mr. Smith reported that all active employee material has been delivered to departments for distribution between last Wednesday and today. Retired employees material is being mailed out tomorrow and Thursday.

8. NEW BUSINESS - (cont'd.)

Discussion followed on extending the open enrollment beyond June 7th. After discussion, Commissioner Deignan made a motion, which was seconded to extend the period of acceptance for open enrollment applications to June 14th. The motion was adopted 6-0 vote.

Mr. Smith reported that 601 applications were received through the 1st nine business days compared to 1,761 applications for the same period in 1990. There was not enough activity to produce any trends to date, however, a preliminary report was provided to the Board. There were four domestic partner applications to date.

9. SUPPLEMENTAL AGENDA - None

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 8,930 as of May 3rd compared to 8,684 last month. This is a ten to eleven-day backlog. One reason for the increase in claims is that the average number received since February 1st is 4,350 per week compared to a 3,877 per week average in the first 26 weeks of the fiscal year. The April average was 4,414 per week.

b. A rate request increase was received from John Muir Hospital for referral to Rates and Benefits Committee. Notification was also received from PMC and Marin General on renegotiation their rates.

c. The Mayor's office has advised us that they are tentatively approving our baseline budget as submitted and approving an additional two and one-half positions to support the expansion of eligibility to domestic partners.

d. The Mayor's office is also providing supplemental staffing to the department during open enrollment.

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

The President recognized the following:

a. Marian O'Donnell, Retired Employees Association, asked that consideration be given to having retired employee representation on the proposed Health Service task force. She also asked the status of the City Attorney's opinion on the insurance seat on the Board. Mr. Kolm, Deputy City Attorney, indicated that it was on his assignment list. President Paretchan stated, on advice of the City Attorney, that it would be announced when the opinion is received and determined by the Board at that time whether to release the opinion.

b. A tentative Special Meeting date of May 23rd was set to take action on rates for employees represented by those employee organizations not signatory to the Letter of Agreement.

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT - (cont'd.)

c. Mr. Smith announced that the Registrar of Voters reported the final election results (Exhibit 'D') showing the incumbent, President Paretchan, re-elected with 9,993 votes (59%) compared to his nearest competitor at 2,152 (13%).

13. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 4:46 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

**REPORT BY ACTUARY ON CASH BASIS FOR THE MAY 14, 1991 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1990 through April 30, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $11,304,943 | $11,232,080 | 99% | 99% |
| Retired Employees (NM) | 4,527,550 | 4,658,676 | 97 | 103 |
| Retired Employees (M) | 4,482,682 | 2,579,801 | 56 | 58 |
| Adult Dependents (NM) | 4,622,634 | 5,108,575 | 131 | 111 |
| Adult Dependents (M) | 654,953 | 468,007 | 104 | 71 |
| Minor Dependents | 2,204,762* | 2,530,797 | 102 | 115 |
| TOTAL | $27,797,524 | $26,577,936 | 97% | 96% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,547,428 | $ 1,665,587 | 118% | 108% |
| Retired Employees (NM) | 664,998 | 639,875 | 95 | 96 |
| Retired Employees (M) | 2,020,233 | 2,160,504 | 109 | 107 |
| TOTAL | $ 4,232,659 | $ 4,465,966 | 110% | 106% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 424,814 | $ 406,532 | 98% | 96% |
| Retired Employees (NM) | 108,681 | 99,130 | 70 | 91 |
| Retired Employees (M) | 262,594 | 241,728 | 99 | 92 |
| TOTAL | $ 796,089 | $ 747,390 | 94% | 94% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $13,277,185 | $13,304,199 | 102% | 100% |
| Retired Employees (NM) | 5,301,229 | 5,397,681 | 96 | 102 |
| Retired Employees (M) | 6,765,509 | 4,982,033 | 74 | 74 |
| Adult Dependents (NM) | 4,622,634 | 5,108,575 | 131 | 111 |
| Adult Dependents (M) | 654,953 | 468,007 | 104 | 71 |
| Minor Dependents | 2,204,762* | 2,530,797 | 102 | 115 |
| TOTAL | $32,826,272 | $31,791,292 | 99% | 97% |

*Includes $585,000 of interest subsidy.

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# HEALTH SERVICE SYSTEM
# REGULAR MEETING OF THE HEALTH SERVICE BOARD
# OF THE CITY AND COUNTY OF SAN FRANCISCO

**1155 MARKET STREET, SECOND FLOOR**
**SAN FRANCISCO, CALIFORNIA**

DOCUMENTS DEPT.
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**THURSDAY, MAY 30, 1991- 10:00 A.M.**

## CLOSED SESSION - 9:30 A.M.

Pursuant to Government Code Sections 54956.9(B)(1), 54957 and 54957.6, the Health Service Board will meet in Closed Session to discuss the current status of labor negotiations with its representatives.

## SPECIAL AGENDA - 10:00 A.M.

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

| | |
|---|---|
| President Paretchan | Commissioner Gonzalez |
| Vice President Zvanski | Commissioner Krueger |
| Commissioner Deignan | Commissioner Loos |
| Commissioner Foster | |

4. Consideration of Modification to Contribution Rates for 1991-92 Fiscal Year for Employees Represented by Those Employee Organizations Not Signatory to Letter of Agreement

   Action:

5. Public Comment

6. Adjournment

HEALTH SERVICE BOARD

May 30, 1991

The Minutes of this meeting are missing.

San Francisco Public Library
Government Information Center

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, JUNE 11, 1991- 4:00 P.M.**

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AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:
   President Paretchan
   Vice President Zvanski
   Commissioner Deignan
   Commissioner Foster
   Commissioner Gonzalez
   Commissioner Krueger
   Commissioner Loos

4. Minutes of Regular Meeting of May 14, 1991 and Special Meeting of May 30, 1991 submitted for approval.

   Action: -

5. Actuarial Report - Rael & Letson

   Action:

6. Report of Appeals Committee - President Paretchan, Chair -

   Action:

7. Report of Rates & Benefits Committee - Commissioner Deignan, Chair

   a. Consideration of Rate Increase Request and PHN affiliation of Pacific Physician Associates

      Action:

   b. Consideration of Rate Increase Request of Physical Therapy Provider Network

      Action:

   c. Consideration of Safeguard Extension of Cosmetic Dental Benefits

      Action:

   d. Consideration of Rate Increase of John Muir Medical Center, Marin General Hospital and Washington Hospital.

      Action:

e. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert)

Action:

8. Old Business -

a. Open Enrollment Activity Report

Action:

9. New Business -

a. Election of Officers for 1991-92 Fiscal Year

Action:

b. Consideration of Rule Change to Part I General, Section A5-Committees

Action:

c. Resolution of Commendation for Dave Fong, Chief Assistant Controller of the City and County of San Francisco, upon his retirement after thirty-seven and one-half (37 1/2) years of service

Action:

d. Resolution of Commendation for Robert Tecco, Assistant Director, Purchasing and Services upon his retirement after twenty-four (24) years of service

Action:

e. Request of Davies Medical Center to Participate in Preferred Provider Program

Action:

f. Consideration of Rate Increase of Mount Zion Medical Center of UCSF

Action:

g. Request to Release Claims Information to Towers Perrin

Action:

10. Supplementa Agenda -

11. Executive Director's Report -

12. Announcements/Other Public Comment -

13. Adjournment -

# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

MINUTES

TUESDAY - JUNE 11, 1991 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

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3. ROLL CALL -

Present: President Paretchan
Vice President Zvanski
Commissioner Deignan
Commissioner Foster
Commissioner Krueger

Absent: Commissioner Gonzalez
Commissioner Loos

4. MINUTES OF REGULAR MEETING OF MAY 14, 1991 and SPECIAL MEETING OF MAY 30, 1991 SUBMITTED FOR APPROVAL.

Mr. Smith noted that Mr. Rael had advised him that on the May 14th minutes on page 2 Actuarial Report that Paid Prescriptions should be shown as the previous vendor and not PCS.

Commissioner Foster made a motion, which was seconded, to approve the minutes, as amended, of the Regular Meeting of May 14, 1991 and the Special Meeting of May 30, 1991. The motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the City Plan I experience through May (Exhibit 'A') reflecting a loss ratio of 132% for the month (99% for year to date) on medical benefits, 112% on prescription drugs (106% for year), 104% on vision benefits (95% for year), and an overall loss ratio of 129% (100% year to date).

Mr. Smith noted that the outstanding claim count is about 6,900 down from 8,900 last month contributing to the higher expenditure level. An additional benefit roll was also included in May's expenditures.

Mr. Rael also presented a prescription drug cost report (Exhibit 'B') reflecting claim costs for the last three years. The cost per member per month rose 9.5% in 1989-90 and has been rising at a rate of 21.9% in 1990-91. Fourteen percent of the increase is drug cost inflation and seven percent is utilization.

After questioning from the Board and discussion, the report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were three appeals this month with a recommendation to approve 3 appeals (Exhibit 'C'). Commissioner Zvanski made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was adopted 5-0 vote.

7. REPORT OF RATES AND BENEFITS COMMITTEE -

Commissioner Deignan reported the recommendations of the Committee as follows:

a. Consideration of Rate Increase Request and PHN Affiliation of Pacific Physician Associates (Exhibit 'D') -

Committee Recommendation: Recommend approval of rate increase for RVS Code 90050 and 90060 to $7.25 per unit effective July 1, 1991.

Board Action: Commissioner Zvanski made a motion, which was seconded to approve the Committee recommendation. The motion passed 5-0 vote.

b. Consideration of Rate Increase Request of Physical Therapy Provider Network (Exhibit 'E') -

Committee Recommendation: Recommend 5% increase to $6.30 per unit effective July 1, 1991.

Board Action: Commissioner Deignan made a motion, which was seconded to approve the Committee Recommendation. The motion passed 5-0 vote.

c. Consideration of Safeguard Extension of Cosmetic Dental Benefits (Exhibit 'F') -

Committee Recommendation: Recommend extension of cosmetic dentistry benefit effective July 1, 1991.

Board Action: Commissioner Krueger made a motion, which was seconded to approve the Committee recommendation. The motion passed 5-0 vote.

d. Consideration of Rate Increase of John Muir Medical Center, Marin General and Washington Hospitals -

Committee Recommendation: Recommend approval of John Muir, Marin General and Washington Hospital rate proposals.

Board Action: Commissioner Zvanski made a motion which, was seconded, to approve the John Muir Hospital rate proposal (Exhibit 'G'). The motion passed 5-0 vote.

Commissioner Paretchan made a motion, which was seconded to approve the Marin General rate proposal (Exhibit 'H'). The motion passed 5-0 vote.

Commissioner Zvanski made a motion, which was seconded to approve the Washington Hospital rate proposal (Exhibit 'I'). The motion passed 5-0 vote.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were three appeals this month with a recommendation to approve 3 appeals (Exhibit 'C'). Commissioner Zvanski made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was adopted 5-0 vote.

7. REPORT OF RATES AND BENEFITS COMMITTEE -

Commissioner Deignan reported the recommendations of the Committee as follows:

a. Consideration of Rate Increase Request and PHN Affiliation of Pacific Physician Associates (Exhibit 'D') -

Committee Recommendation: Recommend approval of rate increase for RVS Code 90050 and 90060 to $7.25 per unit effective July 1, 1991.

Board Action: Commissioner Zvanski made a motion, which was seconded to approve the Committee recommendation. The motion passed 5-0 vote.

b. Consideration of Rate Increase Request of Physical Therapy Provider Network (Exhibit 'E') -

Committee Recommendation: Recommend 5% increase to $6.30 per unit effective July 1, 1991.

Board Action: Commissioner Deignan made a motion, which was seconded to approve the Committee Recommendation. The motion passed 5-0 vote.

c. Consideration of Safeguard Extension of Cosmetic Dental Benefits (Exhibit 'F') -

Committee Recommendation: Recommend extension of cosmetic dentistry benefit effective July 1, 1991.

Board Action: Commissioner Krueger made a motion, which was seconded to approve the Committee recommendation. The motion passed 5-0 vote.

d. Consideration of Rate Increase of John Muir Medical Center, Marin General and Washington Hospitals -

Committee Recommendation: Recommend approval of John Muir, Marin General and Washington Hospital rate proposals.

Board Action: Commissioner Zvanski made a motion which, was seconded, to approve the John Muir Hospital rate proposal (Exhibit 'G'). The motion passed 5-0 vote.

Commissioner Paretchan made a motion, which was seconded to approve the Marin General rate proposal (Exhibit 'H'). The motion passed 5-0 vote.

Commissioner Zvanski made a motion, which was seconded to approve the Washington Hospital rate proposal (Exhibit 'I'). The motion passed 5-0 vote.

7. REPORT OF RATES AND BENEFITS COMMITTEE - cont'd.

e. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert) -

Committee Recommendation: Recommend deferral of program until contractual language resolved.

Board Action: Commissioner Zvanski made a motion, which was seconded, to continue this item. The motion passed 5-0 vote.

8. OLD BUSINESS -

a. Open Enrollment Activity Report -

Mr. Smith reported that 5,566 applications had been received through June 5th. A breakdown of those applications processed was provided to the Board (Exhibits 'J'-'J-4').

The only significant trend was the net gain in subscribers and lives by the Bridgeway Plan.

As of June 5th, 75 domestic partners had been signed up and 68 processed (Exhibit 'J-1').

Mr. Julian Emerson, Colonial Life, reported that about 85 new enrollees in the Dependent Care Assistance Program.

Commissioner Zvanski requested that a letter be sent to Colonial thanking them for their staffing assistance to the System. Without objection, it was so ordered.

President Paretchan commented on the erroneous release of information to the media on extension of the open enrollment to June 14th. After discussion, Commissioner Krueger made a motion, which was seconded, to extend the open enrollment to June 14th. The motion was adopted 5-0 vote.

President Paretchan expressed concern that the potential acquisition of Bridgeway not adversely impact the Health Service System during a benefit year.

Mr. Jerry Hill, Vice President, Government Relations, Bridgeway, explained the current status of Children's and Pacific Medical Center which recently received Federal Trade Commission approval to merge. He also explained the current status of the FHP and Bridgeway acquisition discussions. Conditions of the proposed acquisition provide for continuation of current management and a long term contract with California Pacific Medical Center and its physician group. Mr. Hill stated that there will be no change in terms of physicians, hospital benefits or price.

9. NEW BUSINESS -

a. Election of Officers for 1991-92 Fiscal Year -

Commissioner Deignan made a motion, which was seconded, to nominate President Paretchan for President.

9. NEW BUSINESS - cont'd.

Commissioner Krueger made a motion, which was seconded, to nominate Commissioner Zvanski for President.

Commissioner Deignan made a motion, which was seconded, that the nomination be closed. The motion passed 5-0 vote.

The motion to nominate President Paretchan for President failed (1-3 Foster, Krueger, Zvanski).

The motion to nominate Commissioner Zvanski for President failed (1-3 Deignan, Foster, Paretchan).

Commissioner Krueger made a motion, which was seconded, to continue this item to the July meeting. The motion was adopted 5-0 vote.

b. Consideration of Rule Change to Part I General, Section A5-Committees -

Commissioner Deignan made a motion, which was seconded, to approve the amendments to the Rules and Regulations Part IA4 and IA5 (Exhibit 'K'). The motion was adopted 5-0 vote.

c. Resolution of Commendation for Dave Fong, Chief Assistant Controller of the City and County of San Francisco, upon his retirement after thirty-seven and one-half (37 1/2) years of service -

Commissioner Deignan made a motion, which was seconded, to approve the Resolution of Commendation (Exhibit 'L'). The motion was adopted 5-0 vote.

d. Resolution of Commendation for Robert Tecco, Assistant Director, Purchasing and Services, upon his retirement after twenty-four (24) years of service -

Commissioner Krueger made a motion, which was seconded, to approve the Resolution of Commendation (Exhibit 'M'). The motion was adopted 5-0 vote.

e. Request of Davies Medical Center to Participate in Preferred Provider Program -

Commissioner Foster made a motion, which was seconded to refer the request to the Rates and Benefits Committee. The motion was adopted 5-0 vote.

f. Consideration of Rate Increase of Mount Zion Medical Center of UCSF -

Commissioner Zvanski made a motion, which was seconded, to approve the Mount Zion rate increase (Exhibit 'N'). After discussion, the motion was adopted 5-0 vote.

9. NEW BUSINESS - (cont'd.)

   g. Request to Release Claims Information to Towers Perrin -

      Commissioner Zvanski made a motion, which was seconded, to release requested claims information to Towers Perrin. After discussion, the motion was adopted 5-0 vote.

10. SUPPLEMENTAL AGENDA - None

11. EXECUTIVE DIRECTOR'S REPORT -

    Mr. Smith reported the following:

    a. The outstanding claim count is at 6,903 as of May 31st compared to 8,930 last month. This is an eight and one-half day backlog and represents the lowest claim count since February 15th.

    b. The Board of Supervisors passed yesterday on second reading the two-tier rate structure on a 10-0 vote. Today is the deadline for employee organizations to sign the Memorandum of Understanding. There are seven organizations who have not signed, and two have indicated that they probably would sign before the deadline.

    c. Two releases were provided the Board on the agreement between the unions and the City. One release was made by the Mayor's office and one by SEIU. The agreement contains provisions for an employer paid dental plan should the Charter be amended in November.

    d. A rate increase from Mills-Peninsula Hospitals was referred to Rates and Benefits Committee without objection.

12. ANNOUNCEMENTS/OTHER PUBLIC COMMENT - None

13. ADJOURNMENT -

    There being no further business, President Paretchan adjourned the meeting at 5:50 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

**REPORT BY ACTUARY ON CASH BASIS FOR THE JUNE 11, 1991 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1990 through May 31, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $12,341,745 | $12,714,085 | 143% | 103% |
| Retired Employees (NM) | 4,969,313 | 5,221,444 | 127 | 105 |
| Retired Employees (M) | 4,932,380 | 2,870,987 | 65 | 58 |
| Adult Dependents (NM) | 5,046,929 | 5,762,028 | 154 | 114 |
| Adult Dependents (M) | 721,379 | 532,226 | 97 | 74 |
| Minor Dependents | 2,411,179* | 2,948,548 | 202 | 122 |
| TOTAL | $30,422,925 | $30,049,318 | 132% | 99% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,689,212 | $ 1,842,442 | 125% | 109% |
| Retired Employees (NM) | 730,002 | 707,546 | 104 | 97 |
| Retired Employees (M) | 2,222,993 | 2,375,830 | 106 | 107 |
| TOTAL | $ 4,642,207 | $ 4,925,818 | 112% | 106% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 463,719 | $ 450,102 | 112% | 97% |
| Retired Employees (NM) | 119,298 | 110,685 | 109 | 93 |
| Retired Employees (M) | 288,898 | 265,170 | 89 | 92 |
| TOTAL | $ 871,915 | $ 825,958 | 104% | 95% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $14,494,676 | $15,006,629 | 140% | 104% |
| Retired Employees (NM) | 5,818,613 | 6,039,675 | 124 | 104 |
| Retired Employees (M) | 7,444,271 | 5,511,987 | 78 | 74 |
| Adult Dependents (NM) | 5,046,929 | 5,762,028 | 154 | 114 |
| Adult Dependents (M) | 721,379 | 532,226 | 97 | 74 |
| Minor Dependents | 2,411,179* | 2,948,548 | 202 | 122 |
| TOTAL | $35,937,047 | $35,801,093 | 129% | 100% |

*Includes $643,500 of interest subsidy.

CITY AND COUNTY OF SAN FRANCISCO

HEALTH SERVICE SYSTEM

PLAN I PRESCRIPTION DRUG COSTS

| | | Annual Claims | Annual Lives | Avg. Mo. Claim Cost | % Inc. |
|---|---|---|---|---|---|
| 7/88 - 6/89 | Actives | $1,589,240 | 91,614 | $17.35 | |
| | Ret.(NM) | 697,053 | 22,954 | 30.37 | |
| | Ret.(M) | 1,805,233 | 63,749 | 28.32 | |
| | Total | $4,091,526 | 178,317 | 22.95 | |
| 7/89 - 6/90 | Actives | $1,621,508 | 89,645 | $18.09 | 4.3% |
| | Ret.(NM) | 681,183 | 22,066 | 30.87 | 1.6 |
| | Ret.(M) | 2,125,817 | 64,545 | 32.94 | 16.3 |
| | Total | $4,428,508 | 176,256 | 25.13 | 9.5 |
| 7/90 - 6/91* | Actives | $1,995,979 | 87,314 | $22.86 | 26.4% |
| | Ret.(NM) | 766,508 | 21,523 | 35.61 | 15.4 |
| | Ret.(M) | 2,573,816 | 65,390 | 39.36 | 19.5 |
| | Total | $5,336,303 | 174,227 | 30.63 | 21.9 |

* Actual figures through May 31, 1991 projected for remainder of fiscal year.

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# HEALTH SERVICE SYSTEM
## RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

DOCUMENTS DEPT.

JUL 9 1991

SAN FRANCISCO PUBLIC LIBRARY

**TUESDAY - JULY 16, 1991 - 4:00 P.M.**

**CLOSED SESSION: 3:30 P.M.**

Pursuant to Government Code Section 54956.9(B)(1), the Health Service Board will meet in Closed Session to discuss the status of labor negotiations/pending litigation with its representatives.

## AGENDA

1. CALL TO ORDER -

2. PLEDGE OF ALLEGIANCE.

3. ROLL CALL:

   Present: President Paretchan, Vice President Zvanski, Commissioner Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos

4. MINUTES OF REGULAR MEETING OF JUNE 11, 1991 SUBMITTED FOR APPROVAL -

   Action:

5. ACTUARIAL REPORT - Rael & Letson

   Action:

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

   Action:

7. OLD BUSINESS -

   a. Final Open Enrollment Activity Report

      Action:

   b. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert)

      Action:

   c. Election of Officers for 1991-92 Fiscal Year

      Action:

8. NEW BUSINESS -

   a. Consideration of Rule Change to Part II Membership and Coverage To Provide for an April Open Enrollment Period -

      Action:

   b. Consideration of Modification to Contribution Rates for 1991-92 Fiscal Year for Employees Represented by Employee Organizations Who are Signatory to Letter of Agreement subsequent to June 11, 1991.

      Action:

   c. Consideration of Rate Increase Request of St. Luke's and Mills-Peninsula Hospitals -

      Action:

   d. Authorization To Attend IFEB Health Care Cost Management Conference in New Orleans, Louisiana, September 29 - October 2, 1991 -

      Action:

9. SUPPLEMENTAL AGENDA -

10. EXECUTIVE DIRECTOR'S REPORT -

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

12. ADJOURNMENT -

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MINUTES

# HEALTH SERVICE SYSTEM
## RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO
## HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

DOCUMENTS DEPT.
SEP 10 1991
SAN FRANCISCO PUBLIC LIBRARY

**TUESDAY - JULY 16, 1991 - 4:00 P.M.**

**CLOSED SESSION: 3:30 P.M.**

Pursuant to Government Code Section 54956.9(B)(1), the Health Service Board will meet in Closed Session to discuss the status of labor negotiations/pending litigation with its representatives.

AGENDA

1. CALL TO ORDER -

2. PLEDGE OF ALLEGIANCE.

3. ROLL CALL:

   Present: President Paretchan, Vice President Zvanski, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos

   Absent: Commissioner Deignan

4. MINUTES OF REGULAR MEETING OF JUNE 11, 1991 SUBMITTED FOR APPROVAL -

   Action: Adopted (5-0 vote).

5. ACTUARIAL REPORT - Rael & Letson

   Action: Report ordered filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

   Action: Adopted as recommended (6-0 vote).

7. OLD BUSINESS -

   a. Final Open Enrollment Activity Report

      Action: Report ordered filed.

   b. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert)

      Action: Continued (6-0 vote)

   c. Election of Officers for 1991-92 Fiscal Year

      Action: Commissioner Zvanski elected President; Commissioner Deignan elected Vice-President.

8. NEW BUSINESS -

   a. Consideration of Rule Change to Part II Membership and Coverage To Provide for an April Open Enrollment Period -

      Action: Adopted (6-0 vote)

   b. Consideration of Modification to Contribution Rates for 1991-92 Fiscal Year for Employees Represented by Employee Organizations Who are Signatory to Letter of Agreement subsequent to June 11, 1991.

      Action: Adopted (6-0) vote.

   c. Consideration of Rate Increase Request of St. Luke's and Mills-Peninsula Hospitals -

      Action: Adopted (6-0 vote)

   d. Authorization To Attend IFEB Health Care Cost Management Conference in New Orleans, Louisiana, September 29 - October 2, 1991 -

      Action: Adopted (6-0 vote).

9. SUPPLEMENTAL AGENDA -

10. EXECUTIVE DIRECTOR'S REPORT -

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

12. ADJOURNMENT -

**HEALTH SERVICE SYSTEM**
**RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - JULY 16, 1991 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

Present: President Paretchan
Vice President Zvanski
Commissioner Gonzalez
Commissioner Loos
Commissioner Foster
Commissioner Krueger

Absent: Commissioner Deignan

4. MINUTES OF REGULAR MEETING OF JUNE 11, 1991 SUBMITTED FOR APPROVAL.

Commissioner Zvanski made a motion, which was seconded, to approve the minutes of the Regular Meeting of June 11, 1991. The motion was adopted (5-0 vote).

NOTE: Item No. 8b taken out of order.

8. NEW BUSINESS -

8b. Consideration of Modification to Contribution for 1991-92 Fiscal Year for Employees Represented by Employee Organizations Who are Signatory to Letter of Agreement subsequent to June 11, 1991.

Mr. Smith announced that the Board had met in closed session prior to the regular meeting regarding the status of negotiations with Electrical Workers Local 6 which has ratified a Memorandum of Understanding with the Health Service Board on July 2, 1991, subsequent to the June 11, 1991 deadline set in Board Resolution 90-07.

Commissioner Zvanski made a motiom, which was seconded, to set the zero contribution rate for Electrical Workers, Local 6 members effective with the payroll period commencing July 20, 1991 with no contribution refund prior to that date. The motion was adopted 5-0 vote.

After discussion, Commissioner Zvanski made a motion, which was seconded, to allow Local 6 members who transferred to exempt status or changed health plans, to rescind the election.

The City Attorney, Mr. Claude Kolm, advised the Board that these individuals could not participate in Section 125 if they make an election to change. With that condition, the motion passed 5-0 vote.

Note: The Board then returned to the regular agenda.

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the City Plan I experience through June (Exhibit 'A') reflecting a loss ratio of 90% for the month (98% for year to date) on medical benefits, 113% on prescription drugs (107% for year), 105% on vision benefits (96% for year), and an overall loss ratio of 93% (99% year to date).

Mr. Rael also presented a monthly claim cost comparison (Exhibit 'B') and a prescription drug cost report (Exhibit 'C').

Mr. Rael indicated that by reducing the out of pocket contribution rates for members in 1990-91 that the System loss approximately $2.5 million when excluding the retiree experience.

The prescription drug cost report reflected that the claim costs increased in 1990-91 by 22.8%, which when broken down reflects a 14-15% increase in ingredient cost and a 7-8% increase in utilization.

Another exhibit (Exhibit 'D') provided by the actuary showed the continuation in the trend of active lives loss in the City Plan, as well as the increasing age of active employee membership.

A final exhibit (Exhibit 'E') showing the total claim experience for the past three years was also presented to the Board.

After questioning from the Board and discussion, the report was ordered filed.

Note: Commissioner Gonzalez arrived during discussion of this item.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were twenty-six appeals this month with a recommendation to approve 14 appeals and deny 12 appeals (Exhibit 'F'). Commissioner Zvanski made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was adopted 6-0 vote.

7. OLD BUSINESS -

a. Final Open Enrollment Activity Report - (continued from June 11, 1991)

Mr. Smith reported that 8,036 applications were filed during open enrollment along with another 334 Section 125 Election Forms. Total applications filed equalled 98% of the applications filed in 1990. Approximately 33% of applications were filed in person, 28% by mail and 39% by Colonial representatives.

A breakdown of those applications processed was provided to the Board (Exhibits 'G'-'G-8').

The most significant trend was the net gain by the Bridgeway Plan with 1,382 lives or about a 10% membership gain. The City, Kaiser and Heals Health Plans all had a net loss in subscribers.

7. OLD BUSINESS - (cont'd.)

There are now approximately 47,192 subscribers in the System and a total of 84,186 lives overall.

Colonial and DentiCare Dental Plans both had significant increases in subscribers with each exceeding 500 lives. Safeguard lost about 226 subscribers. Colonial now has approximately 4,780 employees; Safeguard 3,830 and DentiCare 7,050 employees.

The Colonial Disability Plan had a net increase of approximately 1,274 with 1,552 existing members taking the extended protection rider offered by Colonial for the 1st time. There are now about 6,400 employees covered.

The Dependent Care Assistance Program had a gain of about 86 lives to a total of approximately 180 participants.

There were 171 domestic partners added during open enrollment with 98 of the same sex (60 male and 38 female) and 23 of the opposite sex. 157 were domestic partners of active employees and 14 of retired employees. In addition, 16 children of domestic partners were added.

After discussion, the report was ordered filed by the President.

b. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert) - (continued from June 11, 1991)

The conflict over the liability clause in the PCS contract addendum has still not been resolved.

Mr. John Haffner, PCS, and an attorney from McKesson, Mr. Brad Hinds, attended the meeting and explained their position. Mr. Claude Kolm, Deputy City Attorney, explained the City Attorney's position.

After discussion, Commissioner Zvanski made a motion, which was seconded, to continue this item pending further discussion between the City and PCS. The motion passed 6-0 vote.

c. Election of Officers for 1991-92 Fiscal Year - (continued from June 11, 1991)

Commissioner Krueger made a motion, which was seconded by Commissioner Foster, to nominate Commissioner Zvanski for President.

Commissioner Loos made a motion, which was seconded, that the nominations be closed. The motion passed 6-0 vote.

The motion to nominate Commissioner Zvanski for President was adopted (5-0 vote).

President Paretchan made a motion, which was seconded by Commissioner Zvanski to nominate Commissioner Deignan for Vice-President.

There being no other nominations, the motion to nominate Commissioner Deignan for Vice-President was adopted (6-0 vote).

8. NEW BUSINESS -

a. Consideration of Rule Change to Part II Membership and Coverage To Provide for an April Open Enrollment Period -

President Paretchan reintroduced the proposed Rules and Regulation changes which would make the month of April the annual open enrollment period commencing in 1992 (Exhibit 'H' Pages 32 to 42 of the Rules and Regulations).

Commissioner Foster made a motion, which was seconded, to amend the Rules to provide for an April open enrollment period. The motion was adopted 6-0 vote.

b. Consideration of Modification to Contribution Rates for 1991-92 Fiscal Year for Employees Represented by Employee Organizations Who are Signatory to Letter of Agreement subsequent to June 11, 1991. -

Note: (This item was previously taken out of order).

c. Consideration of Rate Increase Request of St. Luke's and Mills-Peninsula Hospitals -

After presentation by staff, Commissioner Gonzalez made a motion, which was seconded, to take these items from Committee in order to bring them before the Board. The motion was adopted 6-0 vote.

Commissioner Gonzalez made a motion, which was seconded, to approve the contract rate increase of St. Luke's Hospital and Mills-Peninsula Hospitals (Exhibits 'I' and 'J'). The motion was adopted 6-0 vote.

d. Authorization To Attend IFEB Health Care Cost Management Conference in New Orleans, Louisiana, September 29 - October 2, 1991 -

Commissioner Zvanski made a motion, which was seconded, to approve the resolution (Exhibit 'K') authorizing attendance. The motion was adopted 6-0 vote.

9. SUPPLEMENTAL AGENDA - None

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 6,989 as of June 30th compared to 6,903 last month. This is an eight and one-half day backlog and is an improvement on the outstanding claim count of 7,859 claims on June 30, 1990. The Claims Division received over 210,000 claims in 1990-91 which was an increase of about 200 claims per week on average.

b. The Finance Committee of the Board of Supervisors has approved our budget including three new positions and monies for a voice mail system. Mr. Smith thanked Supervisor Gonzalez and Commissioner Zvanski for their support in the process and expressed the hope that the Finance Committee's recommendation will be sustained at the full Board level.

A discussion of voice mail and the need to move as expeditiously as possible followed.

c. A draft of proposed Charter amendments for the November ballot dealing with collective bargaining was provided to the Board.

Note: Commissioner Gonzalez left during discussion of this item.

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT - None

12. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 5:22 P.M.

Randall B Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

**REPORT BY ACTUARY ON CASH BASIS FOR THE JULY 9, 1991 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1990 through June 30, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $13,390,973 | $13,787,845 | 102% | 103% |
| Retired Employees (NM) | 5,396,434 | 5,543,865 | 75 | 103 |
| Retired Employees (M) | 5,376,139 | 3,135,764 | 60 | 58 |
| Adult Dependents (NM) | 5,477,154 | 6,196,866 | 101 | 113 |
| Adult Dependents (M) | 786,256 | 577,791 | 70 | 73 |
| Minor Dependents | 2,620,429* | 3,168,408 | 105 | 121 |
| TOTAL | $33,047,385 | $32,410,539 | 90% | 98% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,832,707 | $ 2,014,678 | 120% | 110% |
| Retired Employees (NM) | 792,643 | 771,100 | 101 | 97 |
| Retired Employees (M) | 2,422,958 | 2,599,525 | 112 | 107 |
| TOTAL | $ 5,048,308 | $ 5,385,303 | 113% | 107% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 503,095 | $ 492,975 | 109% | 98% |
| Retired Employees (NM) | 129,553 | 120,870 | 99 | 93 |
| Retired Employees (M) | 314,849 | 291,740 | 102 | 93 |
| TOTAL | $ 947,497 | $ 905,585 | 105% | 96% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $15,726,775 | $16,295,498 | 105% | 104% |
| Retired Employees (NM) | 6,318,630 | 6,435,835 | 79 | 102 |
| Retired Employees (M) | 8,113,946 | 6,027,029 | 77 | 74 |
| Adult Dependents (NM) | 5,477,154 | 6,196,866 | 101 | 113 |
| Adult Dependents (M) | 786,256 | 577,791 | 70 | 73 |
| Minor Dependents | 2,620,429* | 3,168,408 | 105 | 121 |
| TOTAL | $39,043,190 | $38,701,427 | 93% | 99% |

*Includes $702,000 of interest subsidy.

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8/13/91

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY - AUGUST 13, 1991 - 4:00 P.M.**

# AGENDA

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AUG 2 1991

SAN FRANCISCO
PUBLIC LIBRARY

1. CALL TO ORDER -

2. PLEDGE OF ALLEGIANCE.

3. ROLL CALL:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. MINUTES OF REGULAR MEETING OF JULY 16, 1991 SUBMITTED FOR APPROVAL -

   Action:

5. ACTUARIAL REPORT - Rael & Letson

   Action:

6. REPORT OF APPEALS COMMITTEE - Commissioner Paretchan, Chair

   Action:

7. OLD BUSINESS -

   a. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert) - continued from 7/16/91

      Action:

8. NEW BUSINESS -

   a. Discussion of Arisco/Stephen M. Sprouse & Associates, Universal Life Insurance Program -

      Action:

   b. Discussion of Letter from PSO Insurance Services regarding Disability Insurance -

      Action:

   c. Discussion of Letter from SEIU Local 790 regarding possibility of Substance Abuse Treatment Plan -

      Action:

9. SUPPLEMENTAL AGENDA -

10. EXECUTIVE DIRECTOR'S REPORT -

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

12. ADJOURNMENT -

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8/13/91

MINUTES

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY - AUGUST 13, 1991 - 4:00 P.M.**

**AGENDA**

DOCUMENTS DEPT.
OCT 4 1991
SAN FRANCISCO
PUBLIC LIBRARY

1. CALL TO ORDER -

2. PLEDGE OF ALLEGIANCE.

3. ROLL CALL:

   Present: President Zvanski, Vice President Deignan, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Foster, Commissioner Gonzalez

4. MINUTES OF REGULAR MEETING OF JULY 16, 1991 SUBMITTED FOR APPROVAL -

   Action: Adopted (5-0 vote).

5. ACTUARIAL REPORT - Rael & Letson

   Action: Report ordered filed.

6. REPORT OF APPEALS COMMITTEE - Commissioner Paretchan, Chair

   Action: Adopted as recommended (5-0 vote).

7. OLD BUSINESS -

   a. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert) - continued from 7/16/91

      Action: Continued.

8. NEW BUSINESS -

   a. Discussion of Arisco/Stephen M. Sprouse & Associates, Universal Life Insurance Program -

      Action: Direct letter to Arisco indicating that Board is not interested in considering life insurance benefit at this time (5-0 vote).

   b. Discussion of Letter from PSO Insurance Services regarding Disability Insurance -

      Action: Direct letter to PSO Insurance Services indicating that Board is not interested in considering alternative disability benefits at this time (5-0 vote).

   c. Discussion of Letter from SEIU Local 790 regarding possibility of Substance Abuse Treatment Plan -

      Action: Direct letter to Local 790 indicating that Board is supportive if economically feasible but would like to await outcome of November ballot collective bargaining proposals (5-0 vote).

9. SUPPLEMENTAL AGENDA -

   Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
   (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

   a. Discussion of Initiation of Task Force Process between Employee Organizations and Health Service Board.

   Action: No Action Taken

10. EXECUTIVE DIRECTOR'S REPORT -

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

12. ADJOURNMENT -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - AUGUST 13, 1991 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:08 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Krueger
   Commissioner Loos
   Commissioner Paretchan

   Absent: Commissioner Foster
   Commissioner Gonzalez

4. MINUTES OF REGULAR MEETING OF JULY 16, 1991 SUBMITTED FOR APPROVAL.

   Commissioner Paretchan made a motion, which was seconded, to approve the minutes of the Regular Meeting of July 16, 1991. The motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the City Plan I experience for July (Exhibit 'A') reflecting a loss ratio of 96% for the month on medical benefits, 128% on prescription drugs, 90% on vision benefits and an overall loss ratio of 96%.

   Mr. Rael indicated that July's experience includes an extra biweekly pay period on the contribution side and an extra biweekly prescription drug billing on the expenditure side.

   The minor dependent category will contain total subsidies of $95,500 per month this fiscal year resulting from the continuation of the $58,500 per month interest subsidy and the $37,000 subsidy in the adult dependent (NM) contract rate.

   After questioning from the Board and discussion, the report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - Commissioner Paretchan, Chair

   Commissioner Paretchan reported that there were twenty-eight appeals in the past month with a recommendation to approve 9 appeals and deny 19 appeals (Exhibit 'B'). Commissioner Paretchan made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was adopted 5-0 vote.

7. OLD BUSINESS -

a. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert) - (continued from July 16, 1991) -

Mr. Claude Kolm, Deputy City Attorney, reported that the status of the liability clause in the PCS contract addendum has still not been resolved. He has requested that Mr. Smith schedule a closed session with the Board prior to the September monthly meeting to advise the Board on potential litigation issues relative to this program.

President Zvanski, without objection, continued this item until next month.

8. NEW BUSINESS -

a. Discussion of Arisco/Stephen M. Sprouse & Associates, Universal Life Insurance Program -

Commissioner Paretchan commented that he felt the Health Service System should not get into the business of offering life insurance.

President Zvanski felt that it was not appropriate for the Board to take up this benefit at this time especially with collective bargaining a prospect on the November ballot. She also indicated that vendors have traditionally approached employee oganizations to access employees for solicitation of benefits of this type.

After discussion, Commissioner Krueger made a motion, which was seconded, that the Director send a letter to Arisco indicating that the Board has received their material and that the Board was not interested in pursuing a life insurance benefit at this time. The motion passed by a 5-0 vote.

b. Discussion of Letter from PSO Insurance Services regarding Disability Insurance -

Commissioner Paretchan made a motion, which was seconded, that the Director send a letter to PSO Insurance Services indicating that the Board was not interested in pursuing an alternative short term disability insurance benefit at this time. The motion passed 5-0 vote.

c. Discussion of Letter from SEIU Local 790 regarding possibility of Substance Abuse Treatment Plan -

President Zvanski indicated that she had talked to Ms. Rosenthal of Local 790 and indicated to her that we have looked into this matter, but that many issues including the collective bargaining proposal on the November ballot have prevented coming to a conclusion on this issue.

After discussion, Commissioner Deignan made a motion, which was seconded, that the Director send a letter to Local 790 indicating that the Board is supportive of a substance abuse treatment plan if it is economically feasible, however, we are awaiting the outcome of the collective bargaining proposals on the November ballot before further consideration is given. The motion passed 5-0 vote.

9. SUPPLEMENTAL AGENDA -

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

The Board, without objection, voted to hear the Supplemental Agenda.

a. Discussion of Initiation of Task Force Process between Employee Organizations and Health Service Board.

President Zvanski indicated that she requested this item be put on the agenda in order to initiate commencement and coordination of the task force process.

After discussion, it was decided that the President and Director will consult to layout the groundwork for proceeding on this issue. (Informational item only)

President Zvanski recognized Marian O'Donnell of the Retired Employees Association, who stated that the Association wished to have a representative on the Task Force. President Zvanski acknowledged the request and indicated the Board is supportive of the request.

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 5,410 as of August 2nd compared to 6,989 last month. This is the lowest claim count since February 1, 1991. This reduction is primarily due to less incoming claim volume in July compared to previous months.

b. The implementation of voice mail is being pursued indpendent of the City-wide system. Staff has met with Mr. Dan McFarland, Manager of Telecommunications for the City, who indicated his support in assisting us with a temporary voice mail system. He has put us in contact with Wang Information Systems personnel to determine the feasibility of installing a temporary system pending the award of the City-wide contract.

c. Ralph K. Davies Medical Center has submitted a proposal to be a preferred provider and without objection the proposal will be referred to the Rates and Benefits Committee.

d. Seton Medical Center has requested a meeting on the possibility of also becoming a preferred provider hospital.

e. The air conditioning unit in the room housing the system's computer went out and will have to be replaced quickly. We are currently pursuing the purchase and installation of a new unit with fans being used temporarily to cool the computer room area.

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT - None

12. ADJOURNMENT -

There being no further business, Commissioner Paretchan made a motion, which was seconded, to adjourn the meeting.

The motion passed and the meeting was adjourned at 4:47 P.M.

Randall B Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE AUGUST 13, 1991
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1991 through July 31, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 1,499,285 | $ 1,261,334 | 84% | 84% |
| Retired Employees (NM) | 432,224 | 472,434 | 109 | 109 |
| Retired Employees (M) | 321,273 | 301,281 | 94 | 94 |
| Adult Dependents (NM) | 613,801 | 573,825 | 93 | 93 |
| Adult Dependents (M) | 43,095 | 75,831 | 176 | 176 |
| Minor Dependents | 337,525* | 270,939 | 80 | 80 |
| TOTAL | $ 3,247,203 | $ 2,955,644 | 91% | 91% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 223,250 | $ 259,502 | 116% | 116% |
| Retired Employees (NM) | 69,313 | 94,123 | 136 | 136 |
| Retired Employees (M) | 237,247 | 324,703 | 137 | 137 |
| TOTAL | $ 529,810 | $ 678,328 | 128% | 128% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 57,673 | $ 47,064 | 82% | 82% |
| Retired Employees (NM) | 10,863 | 11,547 | 106 | 106 |
| Retired Employees (M) | 24,991 | 25,259 | 101 | 101 |
| TOTAL | $ 93,527 | $ 83,870 | 90% | 90% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 1,780,208 | $ 1,567,900 | 88% | 88% |
| Retired Employees (NM) | 512,400 | 578,104 | 113 | 113 |
| Retired Employees (M) | 583,511 | 651,243 | 112 | 112 |
| Adult Dependents (NM) | 613,801 | 573,825 | 93 | 93 |
| Adult Dependents (M) | 43,095 | 75,831 | 176 | 176 |
| Minor Dependents | 337,525* | 270,939 | 80 | 80 |
| TOTAL | $ 3,870,540 | $ 3,717,842 | 96% | 96% |

*Includes subsidy of $37,000 from Adult Dependents (NM) category and $58,500 from interest.

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9/10/91

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

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**TUESDAY, SEPTEMBER 10, 1991- 4:00 P.M.**

**CLOSED SESSION - 3:30 P.M.**

Pursuant to Government Code Section 54956.9(B)(1), the Health Service Board will meet in Closed Session to discuss a matter involving potential exposure to litigation.

## AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan
4. Minutes of Regular Meeting of August 13, 1991, submitted for approval -

   Action:
5. Actuarial Report - Rael & Letson

   Action:
6. Report of Appeals Committee - Commissioner Paretchan, Chair

   Action:
7. Report of Rates & Benefits Committee - Commissioner Loos, Chair

   a. Consideration of Request by Davies Medical Center to Participate in Preferred Provider Program.

      Action:

   b. Discussion of Planning Study Requirements of Board Resolution 90-05 (continued from 6/4/91).

      Action:

7. Report of Rates & Benefits Committee - (cont'd.)

   c. Consideration of Rate Increase Request by Health Dimensions, Inc. (Good Samaritan Hospital, San Jose Hospital, South Valley Hospital).

      Action:

   d. Consideration of Rate Increase Request by California Pacific Medical Center.

      Action:

8. Old Business -

   a. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert) - continued from 8/13/91

      Action:

9. New Business -

   a. Authorization to Attend IFEB Annual Conference November 8-13, 1991

      Action:

10. Supplemental Agenda -

11. Executive Director's Report -

12. Announcements/Other Public Comment -

13. Adjournment -

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[MINUTES]

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, SEPTEMBER 10, 1991- 4:00 P.M.**

**CLOSED SESSION - 3:30 P.M.**

Pursuant to Government Code Section 54956.9(B)(1), the Health Service Board will meet in Closed Session to discuss a matter involving potential exposure to litigation.

## AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Gonzalez

4. Minutes of Regular Meeting of August 13, 1991, submitted for approval -

   Action: Adopted (6-0 vote).

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5. Actuarial Report - Rael & Letson

   Action: Report ordered filed.

6. Report of Appeals Committee - Commissioner Paretchan, Chair

   Action: Adopted as recommended (6-0 vote).

7. Report of Rates & Benefits Committee - Commissioner Loos, Chair

   a. Consideration of Request by Davies Medical Center to Participate in Preferred Provider Program.

      Action: Committee meeting cancelled.

   b. Discussion of Planning Study Requirements of Board Resolution 90-05 (continued from 6/4/91).

      Action: Committee meeting cancelled.

7. Report of Rates & Benefits Committee - (cont'd.)

   c. Consideration of Rate Increase Request by Health Dimensions, Inc. (Good Samaritan Hospital, San Jose Hospital, South Valley Hospital).

      Action: Taken from Committee (6-0 vote). Motion to approve Health Dimension rate proposal defeated (1-5 vote). Motion to hold current rates to July 1, 1992 passed (6-0 vote).

   d. Consideration of Rate Increase Request by California Pacific Medical Center.

      Action: Committee meeting cancelled.

8. Old Business -

   a. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert) - continued from 8/13/91

      Action: Motion to defer implementation of Drug Utilization Program at this time passed (6-0 vote).

9. New Business -

   a. Authorization to Attend IFEB Annual Conference November 8-13, 1991

      Action: Adopted (6-0 vote).

10. Supplemental Agenda - None

11. Executive Director's Report -

12. Announcements/Other Public Comment -

13. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - SEPTEMBER 10, 1991 - 4:00 P.M.

NOTE: The Board met in closed session with its attorney prior to the meeting to receive advice on potential litigation problems should the Board approve the Drug litigation Review Program with PCS.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:06 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

Present: President Zvanski
Vice President Deignan
Commissioner Foster
Commissioner Krueger
Commissioner Loos
Commissioner Paretchan

Absent: Commissioner Gonzalez

4. MINUTES OF REGULAR MEETING OF AUGUST 13, 1991, SUBMITTED FOR APPROVAL.

Commissioner Paretchan made a motion, which was seconded, to approve the minutes of the Regular Meeting of August 13, 1991. The motion was adopted (6-0 vote).

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the City Plan I experience through August (Exhibit 'A') reflecting a loss ratio of 123% for the month (105% year to date) on medical benefits, 93% on prescription drugs (112% year to date), 124% on vision benefits (105% year to date) and an overall loss ratio of 119% (106% year to date).

After questioning from the Board and discussion, the report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - Commissioner Paretchan, Chair

Commissioner Paretchan reported that there were twenty-two appeals in the past month with a recommendation to approve 9 appeals and deny 13 appeals (Exhibit 'B'). Commissioner Paretchan made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was adopted 6-0 vote.

A discussion of the provisions of Section 125 and its impact on appeals decisions followed (No action taken).

7. REPORT OF RATES & BENEFITS COMMITTEE - Commissioner Loos, Chair

The Rates and Benefits Committee meeting scheduled for this afternoon was cancelled.

President Zvanski requested that the Board entertain taking from Committee and acting on the contract with Health Dimensions, Inc.

Commissioner Paretchan made a motion, which was seconded, to take the Health Dimension contract from Committee. The motion passed 6-0 vote.

Commissioner Loos expressed concern that the Board does not have enough information to make a proper judgment on hospital contract proposals. The System should bring in expertise to review the hospital contracts and render recommendations.

After further discussion, the motion to approve the Health Dimension, Inc. contract was defeated (1-5 Paretchan).

Commissioner Loss made a motion, which was seconded, to advise Health Dimension, Inc. that the rate increase proposal be held to July 1, 1992 on the basis that the rate increase request was not submitted until after July 1st. The motion passed (6-0 vote).

8. OLD BUSINESS -

a. Consideration of Deferring Implementation of PCS Drug Utilization Review Program (Quantum Alert) - (continued from 8/13/91) -

After receiving the advice of the City Attorney in closed session regarding potential litigation, Commissioner Paretchan made a motion, which was seconded, to not participate in the Drug Utilization Review Program at this time. The motion passed 6-0 vote.

9. NEW BUSINESS -

a. Authorization to Attend IFEB Annual Conference November 8-13, 1991 -

Commissioner Paretchan made a motion, which was seconded, to authorize by resolution, attendance at the IFEB Annual Conference (Exhibit 'C'). The motion was adopted 6-0 vote.

Commissioner Paretchan requested that the October meeting be moved in lieu of the IFEB health care cost conference. Without objection, President Zvanski ordered the October meeting moved to October 22, 1991.

10. SUPPLEMENTAL AGENDA - None

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 5,719 as of August 30th compared to 5,410 last month. The claims outstanding have remained stable although 4,385 claims a week were received in August compared to 3,945 in July and 4,500 in June.

b. Foundation Health Plan is in the process of acquiring DentiCare Dental Plan.

c. The planned acquisition of Bridgeway by FHP has been mutually ended.

d. Heals is now officially Qual Med/Heals and will be called Qual Med of California in January (Ted Lynch of Heals provided further clarification).

12. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

a. President Zvanski announced that the initial meeting of the Task Force involving the employee organizations will be held on September 19, 1991 at 1:30 P.M. in the Board room.

b. Commissioner Loos set September 18, 1991 at 2:00 P.M. for a Rates and Benefits Committee meeting.

c. President Zvanski recognized Julian Emerson, Colonial Life, who announced that he was accepting a promotion with Colonial and will be leaving for Connecticut in about two months.

13. ADJOURNMENT -

There being no further business, Commissioner Deignan made a motion, which was seconded, to adjourn the meeting.

The motion passed and the meeting was adjourned at 5:29 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

**REPORT BY ACTUARY ON CASH BASIS FOR THE SEPTEMBER 10, 1991 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1991 through August 31, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 2,561,306 | $ 2,674,000 | 133% | 104% |
| Retired Employees (NM) | 861,611 | 981,402 | 119 | 114 |
| Retired Employees (M) | 640,542 | 595,359 | 92 | 93 |
| Adult Dependents (NM) | 1,074,805 | 1,158,858 | 127 | 108 |
| Adult Dependents (M) | 85,903 | 172,408 | 226 | 201 |
| Minor Dependents | 605,677* | 563,161 | 109 | 93 |
| TOTAL | $ 5,829,844 | $ 6,145,188 | 123% | 105% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 380,799 | $ 423,977 | 104% | 111% |
| Retired Employees (NM) | 138,382 | 153,403 | 86 | 111 |
| Retired Employees (M) | 475,206 | 534,769 | 88 | 113 |
| TOTAL | $ 994,387 | $ 1,112,149 | 93% | 112% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 98,285 | $ 98,082 | 126% | 100% |
| Retired Employees (NM) | 21,669 | 23,990 | 115 | 111 |
| Retired Employees (M) | 49,992 | 56,622 | 125 | 113 |
| TOTAL | $ 169,946 | $ 178,694 | 124% | 105% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 3,040,390 | $ 3,196,059 | 129% | 105% |
| Retired Employees (NM) | 1,021,662 | 1,158,795 | 114 | 113 |
| Retired Employees (M) | 1,165,740 | 1,186,750 | 92 | 102 |
| Adult Dependents (NM) | 1,074,805 | 1,158,858 | 127 | 108 |
| Adult Dependents (M) | 85,903 | 172,408 | 226 | 201 |
| Minor Dependents | 605,677* | 563,161 | 109 | 93 |
| TOTAL | $ 6,994,177 | $ 7,436,031 | 119% | 106% |

*Includes subsidy of $74,000 from Adult Dependent (NM) category and $117,000 from interest.

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, OCTOBER 8, 1991- 4:00 P.M.**

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# AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. Minutes of Regular Meeting of September 10, 1991, submitted for approval -

   Action:

5. Actuarial Report - Rael & Letson

   Action:

6. Report of Appeals Committee - Commissioner Paretchan, Chair

   Action:

7. Report of Rates & Benefits Committee - Commissioner Loos, Chair

   a. Recommendation on HMO Renewal Submission questionnaire.

      Action:

   b. Proposed Amendment to Service Agreement Between Rael & Letson, Consulting Actuaries and Health Service System.

      Action:

   c. Consideration of Rates Increase Request of Pathology Institute Laboratory.

      Action:

8. Old Business -

9. New Business -

   a. Response from Health Dimensions, Inc. to Board's Action.

   Action:

10. Supplemental Agenda -

11. Executive Director's Report -

12. Announcements/Other Public Comment -

13. Adjournment -

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, OCTOBER 8, 1991- 4:00 P.M.**

[MINUTES]

**AGENDA**

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1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. Minutes of Regular Meeting of September 10, 1991, submitted for approval -

   Action: Approved as amended (6-0 vote).

5. Actuarial Report - Rael & Letson

   Action: Report ordered filed.

6. Report of Appeals Committee - Commissioner Paretchan, Chair

   Action: No Committee meeting.

7. Report of Rates & Benefits Committee - Commissioner Loos, Chair

   a. Recommendation on HMO Renewal Submission questionnaire.

      Action: Authorization to Expend up to $2,000 for Review of HMO Renewal Submission Questionnaire (6-0 vote). Motion to Solicit Additional HMO Proposals (6-0 vote).

   b. Proposed Amendment to Service Agreement Between Rael & Letson, Consulting Actuaries and Health Service System.

      Action: Continued

   c. Consideration of Rates Increase Request of Pathology Institute Laboratory.

      Action: Continued

8. Old Business -

9. New Business -

   a. Response from Health Dimensions, Inc. to Board's Action.

   Action: Continued.

10. Supplemental Agenda -

11. Executive Director's Report -

12. Announcements/Other Public Comment -

13. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - OCTOBER 8, 1991 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:40 P.M. following the conclusion of a Rates and Benefits Committee meeting.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

| | | |
|---|---|---|
| Present: | President Zvanski | Commissioner Krueger |
| | Vice President Deignan | Commissioner Loos |
| | Commissioner Foster | Commissioner Paretchan |

Absent: Commissioner Gonzalez

4. MINUTES OF REGULAR MEETING OF SEPTEMBER 10, 1991, SUBMITTED FOR APPROVAL.

Commissioner Krueger made a motion, which was seconded, to approve the minutes of the Regular Meeting of September 10, 1991. Mr. Smith asked that a change be made to the minutes at the request of the City Attorney. The request was that the second paragraph under Item 8-a be amended to state that "after receiving the advice of the City Attorney in closed session".....

Commissioner Krueger made a motion, which was seconded, to adopt the minutes of September 10, 1991 as amended. The motion was adopted 6-0 vote.

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the City Plan I experience through September (Exhibit 'A') reflecting a loss ratio of 142% for the month (117% year to date) on medical benefits, 94% on prescription drugs (106% year to date), 109% on vision benefits (106% year to date) and an overall loss ratio of 134% (115% year to date).

Mr. Rael indicated after preliminary analysis that he and Mr. Smith were at a loss to explain the reasons for the large increase in September. He indicated in conversation with staff that it was determined that incoming claims were averaging about 150 more claims per week this year, however, the claims outstanding remained comparable to last month.

Mr. Smith added that September expenditures included only five claims over $30,000 with a high claim payout of $75,000.

5. ACTUARIAL REPORT - (cont'd.)

A request was made to have the utilization review entities make a presentation to the Board on the effect of their review process.

Mr. Rael also presented the quarterly claim cost comparison (Exhibit 'B') which reflected a composite claim cost increase of 23.6% over the preceding quarter and a summary of client hospital PPO rates in San Francisco as requested by the Board.

As anticipated by Mr. Rael, the City Plan I rates compared favorably with Rael & Letson's client rates. Mr. Rael also indicated that he contacted a Northern California PPO which would be willing to make a presentation before the Board regarding the review of existing City Plan I hospital and professional service contracts. The Board was agreeable to hearing the presentation.

After further discussion, the President then ordered the report filed.

6. REPORT OF APPEALS COMMITTEE - Commissioner Paretchan, Chair

Commissioner Paretchan reported that there was no meeting of the Committee in September.

7. REPORT OF RATES & BENEFITS COMMITTEE - Commissioner Loos, Chair

a. Recommendation on HMO Renewal Submission Questionnaire -

Commissioner Loos reported that the Committee recommended that an expenditure of up to $2,000 be authorized to review the HMO Contract Renewal Submission to include addition of any recommendations of Rael & Letson and Towers Perrin.

Commissioner Paretchan made a motion, which was seconded to approve the recommendation of the Committee. The motion was adopted 6-0 vote.

In addition, the Committee recommended that the System solicit additional HMO proposals for consideration by the Rates and Benefits Committee. Commissioner Paretchan made a motion, which was seconded to approve the recommendation of the Committee. The motion was adopted 6-0 vote.

b. Proposed Amendment to Service Agreement Between Rael & Letson, Consulting Actuaries and Health Service System -

Commissioner Loos indicated that the Committee continued this item for discussion between the City Attorney and Rael & Letson.

c. Consideration of Rate Increase Request of Pathology Institute Laboratory -

Commissioner Loos indicated that the Committee continued this item.

8. OLD BUSINESS - None

9. NEW BUSINESS -

a. Response from Health Dimensions, Inc. to Board's Action -

Mr. Smith stated that Health Dimensions, Inc. in response to the Board's request to defer any rate increase until July 1, 1992, has indicated that the proposal is unacceptable but that they would be agreeable to a contract amendment effective October 1, 1991 through September 30, 1992.

After discussion of whether the System could take advantage of a PHN Attorney-in-Fact Contract on these facilities, President Zvanski ordered the item continued until the next meeting.

10. SUPPLEMENTAL AGENDA - None

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 5,849 as of September 27th compared to 5,719 last month. The claims outstanding have remained stable although 4,285 claims a week were received in September compared to 3,945 in July, 4,385 in August and an average of 4,055 as of last year.

b. The Peat Marwick annual audit for 1990-91 has been issued.

c. A followup letter was received from R.K. Davies proposing a specialty contract. The item is in Committee and is awaiting a response from our San Francisco hospitals who have been notified pursuant to their contracts that this is under consideration.

d. The final date for introduction of Charter amendments for the June, 1992 ballot is December 16, 1991.

e. The progress on the voice mail system has again come to a standstill. The City has decided to lease a service system instead of purchasing one. The Director of Telecommunications has indicated that the agreement with Wang Business Systems, with whom we have been working is unacceptable because Wang will not allow a month to month agreement to provide for termination when a City-wide vendor is selected. Pacific Bell is being referred to us in the interim, however, no meeting has taken place with them yet.

f. The position classification study of the department and the Retirement System has been forwarded to the Civil Service Classification Division.

12. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

a. President Zvanski recognized Mr. Jerry Hill, Vice-President of Bridgeway, who brought the Board up to date on the termination of the FHP acquisition proposal. The primary problem was the rates that FHP was willing to pay the hospitals as well as physician group opposition to the acquisition.

13. ADJOURNMENT -

There being no further business, President Zvanski adjourned the meeting at 5:37 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

**REPORT BY ACTUARY ON CASH BASIS FOR THE OCTOBER 8, 1991 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1991 through September 30, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 3,632,008 | $ 4,062,307 | 130% | 112% |
| Retired Employees (NM) | 1,299,567 | 1,606,621 | 143 | 124 |
| Retired Employees (M) | 959,887 | 960,331 | 114 | 100 |
| Adult Dependents (NM) | 1,544,103 | 1,833,408 | 144 | 119 |
| Adult Dependents (M) | 128,895 | 263,243 | 211 | 204 |
| Minor Dependents | 878,393* | 1,130,427 | 208 | 129 |
| TOTAL | $ 8,442,853 | $ 9,856,337 | 142% | 117% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 540,201 | $ 587,163 | 102% | 109% |
| Retired Employees (NM) | 208,600 | 214,031 | 86 | 103 |
| Retired Employees (M) | 714,445 | 751,120 | 90 | 105 |
| TOTAL | $ 1,463,246 | $ 1,552,314 | 94% | 106% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 139,381 | $ 143,221 | 110% | 103% |
| Retired Employees (NM) | 32,655 | 36,445 | 113 | 112 |
| Retired Employees (M) | 75,117 | 83,469 | 107 | 111 |
| TOTAL | $ 247,153 | $ 263,135 | 109% | 106% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 4,311,590 | $ 4,792,691 | 126% | 111% |
| Retired Employees (NM) | 1,540,822 | 1,857,097 | 135 | 121 |
| Retired Employees (M) | 1,749,449 | 1,794,920 | 104 | 103 |
| Adult Dependents (NM) | 1,544,103 | 1,833,408 | 144 | 119 |
| Adult Dependents (M) | 128,895 | 263,243 | 211 | 204 |
| Minor Dependents | 878,393* | 1,130,427 | 208 | 129 |
| TOTAL | $10,153,252 | $11,671,786 | 134% | 115% |

*Includes subsidy of $111,000 from Adult Dependent (NM) category and $175,500 from interest.

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**HEALTH SERVICE SYSTEM**
**SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, OCTOBER 22, 1991- 4:00 P.M.**

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**AGENDA**

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. Minutes of Regular Meeting of October 8, 1991, submitted for approval -

   Action:

5. Actuarial Consultant's Report - Rael & Letson

   Action:

6. Report of Appeals Committee - Commissioner Paretchan, Chair

   Action:

7. Old Business -

   a. Response from Health Dimensions, Inc. to Board's Action (continued from 10/8/91)

      Action:

   b. Report on HMO Renewal Submission Process.

      Action:

8. New Business -

   a. Proposed Amendment to Service Agreement Between Rael & Letson, Consulting Actuaries and Health Service System (this item was continued in Committee and therefore would require a motion to take from Committee if it is to be acted upon).

      Action:

   b. Consideration of Rate Increase Request of Pathology Institute Laboratory (this item was continued in Committee and therefore would require a motion to take from Committee if it is to be acted upon).

      Action:

   c. Request By St. Luke's Hospital to Amend Contract on Reimbursement for Laboratory Services.

      Action:

9. Supplemental Agenda -

10. Executive Director's Report/Communications -

11. Announcements/Other Public Comment -

12. Adjournment -

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**HEALTH SERVICE SYSTEM**
**SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

[MINUTES]

**TUESDAY, OCTOBER 22, 1991- 4:00 P.M.**

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**AGENDA**

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Gonzalez

4. Minutes of Regular Meeting of October 8, 1991, submitted for approval -

   Action: Adopted as amended (6-0 vote).

5. Actuarial Consultant's Report - Rael & Letson

   Action: Information Item Only.

6. Report of Appeals Committee - Commissioner Paretchan, Chair

   Action: Approval failed (2-4 Foster, Krueger, Loos, Zvanski) Item continued (6-0 vote).

7. Old Business -

   a. Response from Health Dimensions, Inc. to Board's Action (continued from 10/8/91)

      Action: Continued (6-0 vote).

   b. Report on HMO Renewal Submission Process.

      Action: Incorporate Towers Perrin supplemental recommendations and set HMO return dates of November 25th (6-0 vote).

      Adopt Towers Perrin HMO Application (6-0 vote)

8. New Business -

   a. Proposed Amendment to Service Agreement Between Rael & Letson, Consulting Actuaries and Health Service System (this item was continued in Committee and therefore would require a motion to take from Committee if it is to be acted upon).

      Action: Resolution adopted authorizing agreement with Interplan, Inc. (6-0 vote).

   b. Consideration of Rate Increase Request of Pathology Institute Laboratory (this item was continued in Committee and therefore would require a motion to take from Committee if it is to be acted upon).

      Action: None

   c. Request By St. Luke's Hospital to Amend Contract on Reimbursement for Laboratory Services.

      Action: Adopted motion to propose modified contract to St. Luke's (6-0 vote)

9. Supplemental Agenda -

10. Executive Director's Report/Communications -

11. Announcements/Other Public Comment -

12. Adjournment -

**HEALTH SERVICE SYSTEM**
**SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - OCTOBER 22, 1991 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

| | | |
|---|---|---|
| Present: | President Zvanski | Commissioner Krueger |
| | Vice President Deignan | Commissioner Loos |
| | Commissioner Foster | Commissioner Paretchan |

Absent: Commissioner Gonzalez

4. MINUTES OF REGULAR MEETING OF OCTOBER 8, 1991, SUBMITTED FOR APPROVAL.

Mr. Smith requested that the Board amend the minutes at the request of the System Actuary to reflect the presentation by the Actuary of a client contract S.F. hospital rate comparison with the System's rates.

Commissioner Paretchan made a motion, which was seconded, to accept the amendment to the minutes. The motion was approved 6-0 vote.

Commissioner Paretchan made a motion, which was seconded to accept the minutes as amended. The motion was adopted 6-0 vote.

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported that he had contacted the utilization review organizations and they will make a presentation to the Board on their utilization review, the second opinion program and case management. It was agreed that the presentation will be made at the December meeting.

Mr. Rael also reported on his analysis of the rate proposal of California Pacific Medical Center and his conclusion that the proposal as it stands was not in the best interest of the System.

Mr. Dan Sheehy of Interplan, Inc., a payor sponsored PPO was introduced to the Board for the purpose of presenting background information on hospital and professional services contract review. Mr. Sheehy informed the Board that he had done some preliminary review of one of the hospital contracts the System uses and that he had noted the absence of provisions for coordination of benefits, a hold harmless clause, and requirement for patient responsibility for claims over 30 days old.

5. ACTUARIAL REPORT - (cont'd.)

After discussion on the issue of contracts review, it was decided to go forward with authorizing services to be done and that this action would be taken under item 8a of the agenda.

Mr. Smith indicated for the record that a shock claim was included with the September expenditures and that the information was not available at the October 8th meeting. An expenditure of $243,952 for a pre-mature baby was paid out in September. This large expenditure on one case resulted in the loss ratio moving from 112% to 115% for the year to date. (Information only).

6. REPORT OF APPEALS COMMITTEE - Commissioner Paretchan, Chair

Commissioner Paretchan reported that there were 34 appeals and he made a motion, which was seconded, to accept the recommendation of the Committee to approve 22 appeals and deny 12 appeals (Exhibit 'A').

Commissioner Krueger raised the issue of whether or not the appeals approved were in conformance with the Section 125 Plan provisions which were discussed at the September meeting. After further discussion, the motion to approve the recommendation of the Committee failed (2-4 Foster, Krueger, Loos, Zvanski).

Commissioner Krueger made a motion, which was seconded, to have the City Attorney review those appeals subject to Section 125 for conformity. The motion passed 6-0 vote.

7. OLD BUSINESS -

a. Response from Health Dimensions, Inc. to Board's Action -

Mr. Smith reported that no current PHN payor has a selective attorney-in-fact contract with Preferred Health Network. He is in the process of communicating with higher PHN management on the possibility of an exception to this policy.

Commissioner Paretchan made a motion, which was seconded, to continue this item. The motion passed 6-0 vote.

b. Report on HMO Renewal Submission Process -

Mr. Smith reported receipt of Towers Perrin recommendations on changes to the existing HMO Renewal Submission as well as their proposed HMO questionnaire for new applicants.

Towers Perrin will be providing a follow-up proposal on strategies for review of the HMO submissions.

After discussion, Commissioner Loos made a motion, which was seconded, to incorporate Towers Perrin's supplemental questions into the Renewal Submission with a return date from the HMO's of November 25, 1991. The motion was adopted 6-0 vote.

Commissioner Deignan made a motion, which was seconded, to adopt the Tower Perrin HMO questionnaire (for System use with new applications). The motion was adopted 6-0 vote.

8. NEW BUSINESS -

a. Proposed Amendment to Service Agreement Between Rael & Letson, Consulting Actuaries and Health Service System (this item was continued in Committee and therefore would require a motion to take from Committee if it is to be acted upon). -

Without objection, this item was taken from Committee in order for the Board to take an action. Commissioner Loos made a motion by resolution (Exhibit 'B'), which was seconded to authorize agreement with Interplan, Inc. to review and make appropriate recommendations on existing PPO hospital and professional service contracts. The resolution was adopted 6-0 vote.

b. Consideration of Rate Increase Request of Pathology Institute Laboratory (this item was continued in Committee and therefore would require a motion to take from Committee if it is to be acted upon). -

No action was taken. This item remains in Committee.

c. Request By St. Luke's Hospital to Amend Contract on Reimbursement for Laboratory Services. -

Mr. Smith reported that St. Luke's Hospital has requested an amendment to their contract which would allow their physicians to send their patients or patient laboratory specimens to St. Luke's without copayment. The hospital is willing to accept the 1984 SmithKline fee schedule. Contract modification language was suggested which would protect the System so that contract payments in no instance could exceed current rates.

Commissioner Paretchan made a motion, which was seconded, to propose the modified contract to St. Luke's and if accepted, to bring the contract back to the Board for approval. The motion was adopted 6-0 vote.

9. SUPPLEMENTAL AGENDA - None

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

1. Receipt of the Mayor's State of City Address.
2. Response from California Pacific Medical Center on the potential particiption of R.K. Davies Medical Center (for referral to Committee).
3. A letter from Mountain Vista Farm in Sonoma County requesting preferred provider status as a detox facility (for referral to Committee).

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

a. President Zvanski acknowledged Mr. Julian Emerson of Colonial Life. Mr. Emerson distributed a financial background update on Colonial to the Board; let the Board know that Colonial will be meeting with Health Service staff on reviewing dental claims data with the objective of determining whether any benefit improvements can be recommended; and announced that Mr. Bill Miles will be taking over responsibility for the City and County account.

b. President Zvanski announced that there was a Task Force meeting held that afternoon and that there were a number of issues to be worked out. The next meeting of the Task Force is scheduled for November 12, 1991 at 1:30 P.M.

12. ADJOURNMENT -

There being no further business, Commissioner Paretchan made a motion, which was seconded, to adjourn the meeting. President Zvanski adjourned the meeting at 6:02 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

**ITEM NO. 6 REPORT OF APPEALS COMMITTEE**

The Appeals Committee recommends the following actions be taken on September, 1991 appeals:

SEPTEMBER APPEALS

1. **REQUESTS TO ADD DEPENDENTS TO MEDICAL PLANS:**

| | | | |
|---|---|---|---|
| HSS #94856 | Approve | HSS #13889 | Deny |
| HSS #02857 | Approve | HSS #41470 | Approve |
| HSS #07207 | Approve | HSS #86366 | Approve |
| HSS #78064 | Approve | HSS #22585 | Approve |
| HSS #85076 | Approve | HSS #26717 | Deny |
| HSS #89553 | Approve | | |

2. **REQUESTS TO CHANGE MEDICAL PLAN (INCLUDING EXEMPTIONS):**

| | | | |
|---|---|---|---|
| HSS #09042 | Deny | HSS #25730 | Approve |
| HSS #15339 | Deny | HSS #46163 | Approve |
| HSS #26867 | Approve | HSS #30786 | Approve |
| HSS #03792 | Approve | HSS #31330 | Approve |
| HSS #30072 | Deny | HSS #22276 | Approve |

3. **REQUEST FOR REFUND**

HSS #86085 Deny

4. **REQUEST TO CHANGE EFFECTIVE DATE OF COVERAGE**

| | |
|---|---|
| HSS #30792 | Approve |
| HSS #31126 | Deny |
| HSS #69071 | Deny |

5. **TEMPORARY EMPLOYEE REQUEST FOR IMMEDIATE COVERAGE**

No HSS # Deny

6. **REQUESTS TO CHANGE DENTAL PLANS (INCLUDING EXEMPTIONS):**

| | | | |
|---|---|---|---|
| HSS #32700 | Approve | HSS #45128 | Deny |
| HSS #23302 | Approve | HSS #03534 | Approve |
| HSS #20040 | Deny | HSS #21357 | Deny |
| HSS #11871 | Approve | HSS #52310 | Approve |

| | |
|---|---|
| Total Appeals | 34 |
| Approvals | 22 |
| Denials | 12 |

24% of all appeals pertain to Dental.

Board Action: Continued

EXHIBIT "B"

**RESOLUTION NO. 91-04**

TITLE: AUTHORIZING SERVICE AGREEMENT WITH INTERPLAN CORPORATION

WHEREAS, the Board is faced with contract proposals from certain health care providers;

WHEREAS, the Board believes that it is in the best interests of the Health Service System and its members and beneficiaries that the Board obtain expert advice in evaluating the details and the proposed prices of those contracts, and

WHEREAS, the Board is faced with the need to act swiftly on these matters in order to assure the continuity of services for affected members and their dependents,

NOW, BE IT HEREBY RESOLVED, that the Health Service System enter into an agreement with INTERPLAN CORPORATION to provide health care consulting services by reviewing existing hospital and health care professional service contracts and making appropriate recommendations to insure that the System is practicing an effective health care cost containment strategy as it relates to its Preferred Provider contracts;

FURTHER BE IT RESOLVED, that the Health Service Board authorizes the expenditure of up to $100 per hour up to a maximum aggregate amount of $9900 from the Health Service System Trust Fund to provide for these services.

Recommended by:

Executive Director, Health Service System

Approved by:

President, Health Service Board

Adopted: October 22, 1991

Vote: 6-0 (Gonzalez, absent)

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, NOVEMBER 12, 1991- 4:00 P.M.**

# AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan
4. Minutes of Special Meeting of October 22, 1991, submitted for approval -

   Action:

DOCUMENTS DEPT.
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SAN FRANCISCO
PUBLIC LIBRARY

5. Actuarial Report - Rael & Letson

   Action:

6. Report of Appeals Committee - Commissioner Paretchan, Chair

   Action:

7. Old Business -

   a. Response from Health Dimensions, Inc. to Board's Action (continued from 10/22/91 for response from PHN).

      Action:

8. New Business -

   a. Approval of Amendment to St. Luke's Hospital Contract.

      Action:

9. Supplemental Agenda -
10. Executive Director's Report/Communications -
12. Announcements/Other Public Comment -
13. Adjournment -

HEALTH SERVICE BOARD

November 12, 1991

The Minutes of this meeting are missing.

San Francisco Public Library
Government Information Center

HEALTH SERVICE BOARD

November 26, 1991

The Agenda and Minutes of this meeting are missing.

San Francisco Public Library
Government Information Center

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# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

**MONDAY, DECEMBER 16, 1991- 11:00 A.M.**

## AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

| | |
|---|---|
| President Zvanski | Commissioner Krueger |
| Vice President Deignan | Commissioner Loos |
| Commissioner Foster | Commissioner Paretchan |
| Commissioner Gonzalez | |

4. Minutes of Regular Meeting of November 12, 1991 and Special Meeting of November 26, 1991, submitted for approval -

   Action:

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SAN FRANCISCO PUBLIC LIBRARY

5. Actuarial Consultant's Report - Rael & Letson

   Action:

6. Report of Appeals Committee - Commissioner Paretchan, Chair

   Action:

7. Old Business -

   a. Approval of Amendment to St. Luke's Hospital Contract -

      Action:

8. New Business -

   a. Status Report from Managed Care Contractors -

      1) Preferred Health Network

      Action:

      2) Health Care Evaluation, Inc.

      Action:

b. Consideration of Amendment to Rules and Regulations Part II F Membership Appeals and Grievances -

Action:

c. Certification of Average Contribution of Ten Most Populous Counties Pursuant to Charter Section 8.423 -

Action:

d. Consideration of Release of RFP for Free-Standing Alcohol and Drug Facilities to Provide Contract Detox Services under City Health Plan -

Action:

e. Set Annual Meeting Date and Rates and Benefits Committee Scheduling -

Action:

9. Supplemental Agenda -

10. Executive Director's Report/Communications -

12. Announcements/Other Public Comment -

13. Adjournment -

[MINUTES]

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**MONDAY, DECEMBER 16, 1991- 11:00 A.M.**

**AGENDA**

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SAN FRANCISCO
PUBLIC LIBRARY

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Gonzalez

4. Minutes of Regular Meeting of November 12, 1991 and Special Meeting of November 26, 1991, submitted for approval -

   Action: Adopted (6-0 vote).

5. Actuarial Consultant's Report - Rael & Letson

   Action: Report Filed.

6. Report of Appeals Committee - Commissioner Paretchan, Chair

   Action: Adopted November Appeals as Recommended (6-0 vote).

7. Old Business -

   a. Approval of Amendment to St. Luke's Hospital Contract -

      Action: Continued.

8. New Business -

   a. Status Report from Managed Care Contractors -

      1) Preferred Health Network

      Action: Information Item Only.

      2) Health Care Evaluation, Inc.

      Action: Information Item Only.

b. Consideration of Amendment to Rules and Regulations Part II F Membership Appeals and Grievances -

Action: Adopted (5-0 vote).

c. Certification of Average Contribution of Ten Most Populous Counties Pursuant to Charter Section 8.423 -

Action: Adopted Resolution (5-0 vote).

d. Consideration of Release of RFP for Free-Standing Alcohol and Drug Facilities to Provide Contract Detox Services under City Health Plan -

Action: Approved Release of RFP (5-0 vote)

e. Set Annual Meeting Date and Rates and Benefits Committee Scheduling -

Action: Annual Meeting set for January 21, 1992 at 6:00 P.M. Rates and Benefits Committee meeting will be held every two weeks at 1:00 P.M. commencing December 30, 1991.

9. Supplemental Agenda -

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

9a. Reconsideration of Action Taken on Request for Proposals for Professional Service Contracts.

1. Actuarial and Consulting Services

2. Hospital Utilization Review, Second Surgical Opinion Program, Individual Case Management, Hospital Bill Audit Program, Select Medical Claims Review.

Action: Approved revised Request for Proposals with a thirty day window of return (6-0 vote).

10. Executive Director's Report/Communications -

12. Announcements/Other Public Comment -

13. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

MONDAY - DECEMBER 16, 1991 - 11:00 A.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 11:40 A.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Foster
   Commissioner Krueger
   Commissioner Loos
   Commissioner Paretchan

   Absent: Commissioner Gonzalez

4. MINUTES OF REGULAR MEETING OF NOVEMBER 12, 1991 AND THE SPECIAL MEETING OF NOVEMBER 26, 1991 SUBMITTED FOR APPROVAL -

   Commissioner Paretchan made a motion, which was seconded, to adopt the minutes of the Regular meeting of November 12, 1991 and the Special meeting of November 26, 1991. The motion was adopted 6-0 vote.

   NOTE: President Zvanski called item #9 Supplemental Agenda out of order.

9. SUPPLEMENTAL AGENDA -

   Commissioner Paretchan made a motion, which was seconded, to hear the Supplemental Agenda. The motion passed 6-0 vote.

   a. Reconsideration of Action on Request for Proposals for Professional Service Contracts.

      1. Actuarial and Consulting Services

      2. Hospital Utilization Review, Second Surgical Opinion Program, Individual Case Management, Hospital Bill Audit Program, Select Medical Claims Review.

   Mr. Smith reported that there is a delay in issuing the RFP's because of consultation with the Human Rights Commission staff on final wording of the proposals. Therefore, the original submission date of December 30th was unrealistic.

9. SUPPLEMENTAL AGENDA - (cont'd.)

A couple of issues remain outstanding such as whether there should be a sealed financial proposal and the use of a point system. It was the consensus of the Board to defer action on whether a point system should be used and what value should be placed on the cost package of each proposal. After discussion, Commissioner Loos made a motion, which was seconded, to accept the revised Request for Proposals with a thirty day window between between issuance and submission. The motion was adopted 6-0 vote.

NOTE: The Board returned to regular agenda at this time.

5. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON

NOTE: The Board returned to regular agenda at this time.

Mr. Rael, Rael & Letson, reported the City Plan I experience through November (Exhibit 'A') reflecting a loss ratio of 90% for the month (109 % year to date) on medical benefits, 100% on prescription drugs (104% year to date), 104% on vision benefits (106% year to date) and an overall loss ratio of 90% (109% year to date).

Mr. Rael indicated that the overall experience was down from 114% last month to 109% this month. He still expressed concern at the active employee prescription drug experience.

Mr. Rael also presented the Board the 1990-91 Actuarial Report reflecting a statistical compilation of the last four years activity. He commended on and highlighted a high claim activity summary and the Actuary's comments and recommendations sections contained in the report.

A discussion and question and answer session followed. The monthly actuarial report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - Commissioner Paretchan, Chair

Commissioner Paretchan reported the recommendations of the Committee (Exhibit "B") to approve nine appeals and deny four. Commissioner Deignan made a motion, which was seconded to approve the recommendation of the Committee. The motion was approved 6-0 vote.

7. OLD BUSINESS -

a. Approval of Amendment to St. Lukes Hospital Contract -

Commissioner Paretchan made a motion which was seconded, to continue the item. The motion was adopted 6-0 vote.

8. NEW BUSINESS -

a. Status Report from Managed Care Contractors -

Ms. Margaret Kelly and Jackie Grove, Health Care Evaluation Inc. presented an overview of the various programs which they provide to the Health Service System.

8. NEW BUSINESS - (cont'd.)

The major points made by Ms. Kelly were that 70% of all concurrent hospital review is done on site at the hospitals.

There are over 200 physician and consultants involved in the process.

The second opinion surgical program resulted in 16% of referrals being non-confirmed or a different procedure recommended.

Les Stimac and Ms. Betty Henry, Preferred Health Network presented results of their hospital utilization review for the period. Preferred Health Network went to non-delegated review in April, 1991.

A Question and Answer session followed . Information item only. (Exhibit 'C')

NOTE: Commissioner Deignan left the meeting during discussion of this item.

b. Consideration of Amendment of Rules and Regulations Part II F Membership Appeals and Grievances -

Commissioner Paretchan made a motion, which was seconded, to approve an amendment to the Membership Appeals and Grievance Rule Part II F (Exhibit 'D'). The motion was adopted 5-0 vote.

c. Certification of Average Contribution of Ten Most Populous Counties Pursuant to Charter Section 8.423 -

Mr. Smith presented the results of the ten county survey (Exhibit 'E') reflecting an average contribution of $163.27 per month per employee. This represent a .3% increase over the current year. This negligible increase was caused primarily by the displacement of Ventura County by Fresno County. Two counties are still in negotiation, Contra Costa and Los Angeles, which may alter the results prior to the Charter mandated submission date of the second Monday in January.

The Board requested that the City Attorney determine whether the certified amount can be amended after submission to the Board of Supervisors.

Commissioner Paretchan made a motion, which was seconded, to approve the resolution (Exhibit 'F') certifying $163.27 per month as the average contribution for the 1992-93 fiscal year. The motion was adopted 5-0 vote.

d. Consideration of Release of RFP for Free-Standing Alcohol and Drug Facilities to Provide Contract Detox Services under City Health Plan -

Mr. Rael presented a proposed RFP for a free standing detoxification substance abuse contract with the City Health Plan (Exhibit 'G').

8. NEW BUSINESS - (cont'd.)

After discussion, Commissioner Krueger made a motion, which was seconded, to issue the Request for Proposal. The motion was adopted 5-0 vote.

e. Set Annual Meeting Date and Rates and Benefits Committee Scheduling -

There was consensus of the Board to set the Annual Meeting date for Tuesday, January 21, 1992 at 6:00 P.M.

It was also decided to hold Rates and Benefits Committee meetings every two weeks starting at 1:00 P.M. commencing December 30, 1991.

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 7,065 as of November 29th compared to 6,707 last month. This represents about an 8 1/2 day backlog. There were three City holidays in November which caused some impact in increasing the outstanding claim count.

b. The voice mail system is expected to be operational by the end of the month.

c. The 1992-93 Administrative budget is due February 21, 1992.

d. There were eight HMO's who were invited to submit proposals for the 1992-93 fiscal year. Health Net, Maxicare, and TakeCare submitted proposals.

e. The preliminary rate increase of the existing HMO's range from a 5.5% decrease to 9% increase.

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

a. President Zvanski and Board Members wished all in attendance happy holidays.

12. ADJOURNMENT -

There being no further business, President Zvanski adjourned the meeting at 1:55 P.M.

Randall B. Smith
Executive Director

**REPORT BY ACTUARY ON CASH BASIS FOR THE DECEMBER 16, 1991 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1991 through November 30, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 5,760,543 | $ 5,988,631 | 80% | 104% |
| Retired Employees (NM) | 2,156,653 | 2,639,858 | 115 | 122 |
| Retired Employees (M) | 1,600,087 | 1,438,434 | 56 | 90 |
| Adult Dependents (NM) | 2,459,725 | 2,882,582 | 114 | 117 |
| Adult Dependents (M) | 215,879 | 369,558 | 92 | 171 |
| Minor Dependents | 1,416,540* | 1,654,884 | 68 | 117 |
| TOTAL | $13,609,427 | $14,973,947 | 88% | 110% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 855,253 | $ 945,360 | 116% | 111% |
| Retired Employees (NM) | 346,283 | 344,097 | 93 | 99 |
| Retired Employees (M) | 1,193,267 | 1,196,287 | 93 | 100 |
| TOTAL | $ 2,394,803 | $ 2,485,744 | 100% | 104% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 220,615 | $ 229,524 | 99% | 104% |
| Retired Employees (NM) | 54,199 | 57,768 | 99 | 107 |
| Retired Employees (M) | 125,339 | 137,974 | 113 | 110 |
| TOTAL | $ 400,153 | $ 425,266 | 104% | 106% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 6,836,411 | $ 7,163,515 | 85% | 105% |
| Retired Employees (NM) | 2,557,135 | 3,041,723 | 112 | 119 |
| Retired Employees (M) | 2,918,693 | 2,772,695 | 73 | 95 |
| Adult Dependents (NM) | 2,459,725 | 2,882,582 | 114 | 117 |
| Adult Dependents (M) | 215,879 | 369,558 | 92 | 171 |
| Minor Dependents | 1,416,540* | 1,654,884 | 68 | 117 |
| TOTAL | $16,404,383 | $17,884,957 | 90% | 109% |

*Includes subsidy of $185,000 from Adult Dependent (NM) category and $292,500 from interest.

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# HEALTH SERVICE SYSTEM
# REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

**TUESDAY, JANUARY 14, 1992- 4:00 P.M.**

## AGENDA

DOCUMENTS DEPT
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SAN FRANCISCO
PUBLIC LIBRARY

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan
4. Minutes of Regular Meeting of December 16, 1991, submitted for approval -

   Action:
5. Actuarial Consultant's Report - Rael & Letson

   Action:
6. Old Business -
   a. Approval of Amendment to St. Luke's Hospital Contract -

      Action: Continue to February 11, 1992 Meeting.
7. New Business -
8. Supplemental Agenda -
9. Executive Director's Report/Communications -
10. Announcements/Other Public Comment -
11. Adjournment -

[MINUTES]

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# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

DOCUMENTS DEPT.
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SAN FRANCISCO PUBLIC LIBRARY

**TUESDAY, JANUARY 14, 1992, - 4:00 P.M.**

## AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Foster (Excused), Commissioner Gonzalez, Commissioner Krueger (Excused)

4. Minutes of Regular Meeting of December 16, 1991, submitted for approval -

   Action: Adopted (4-0 vote).

5. Actuarial Consultant's Report - Rael & Letson

   Action: Report filed.

6. Old Business -

   a. Approval of Amendment to St. Luke's Hospital Contract -

      Action: Continued to February 11, 1992 (4-0 vote).

7. New Business - None
8. Supplemental Agenda - None
9. Executive Director's Report/Communications -
10. Announcements/Other Public Comment -
12. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - JANUARY 14, 1992 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:10 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Loos
   Commissioner Paretchan

   Absent: Commissioner Foster (Excused)
   Commissioner Gonzalez
   Commissioner Krueger (Excused)

4. MINUTES OF REGULAR MEETING OF DECEMBER 16, 1991, SUBMITTED FOR APPROVAL -

   Commissioner Paretchan made a motion, which was seconded, to adopt the minutes of the Regular meeting of December 16, 1991. The motion was adopted 4-0 vote.

5. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON

   Mr. Rael, Rael & Letson, reported the City Plan I experience through December (Exhibit 'A') reflecting a loss ratio of 109% for the month (110% year to date) on medical benefits, 104% on prescription drugs (104% year to date), 111% on vision benefits (107% year to date) and an overall loss ratio of 108% (109% year to date).

   Mr. Rael also presented the Board the quarterly comparison of monthly claim costs (Exhibit 'B') reflecting a composite claim cost increase per life of 12.6% in the first 6 months of the year.

   The unreserved fund balance for June 30, 1992 is projected at this time at 4.83 months.

   Commissioner Paretchan raised the issue of ineligibility of covered dependents after reviewing the high claims report and suggested that some process be developed to document the eligibility of claimed dependents.

   Discussion followed on the issue and it was decided to request staff to develop a plan to carry out this proposed policy.

   A discussion and question and answer session followed. The monthly actuarial report was ordered filed.

6. OLD BUSINESS -

   a. Approval of Amendment to St. Lukes Hospital Contract -

   Commissioner Paretchan made a motion which was seconded, to continue the item. The motion was adopted 4-0 vote.

7. NEW BUSINESS - None

8. EXECUTIVE DIRECTOR'S REPORT -

   Mr. Smith reported the following:

   a. The outstanding claim count is at 6,134 as of December 27th compared to 7,065 last month.

   b. Mayor Jordan has mandated a 10% cut in the General Fund portion of each department's budget. Budget submissions are due by February 21, 1992.

   c. A monthly appeals report (Exhibit 'C') will be provided to the Board to keep them informed on appeals activity since the Appeals Committee has been abolished. Future appeals to the Board will be handled as a Special Order of Business prior to the start of the regular board meetings.

   d. The Request for Proposals have been issued for actuarial services and managed care services. They are due back by February 7, 1992. There still remains a determination to be made on how the RFP's should be evaluated. The issues to be resolved are the Human Rights Commission staff's view that a point system be assigned and the issue of whether the financial aspect of the proposal will be included in the evaluation or will come into play after the rankings of the organizations is established. Sealed financial proposals will be submitted to allow a decision to be made either way. Staff will bring back a proposal on these issues.

9. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

   a. A Rates and Benefits Committee meeting was set for February 4th at noon. The Rates Committee meeting scheduled for January 27th was cancelled.

10. ADJOURNMENT -

    There being no further business, Commissioner Deignan made a motion, which was seconded to adjourn the meeting. President Zvanski adjourned the meeting at 4:45 P.M.

Randall B. Smith
Executive Director

**REPORT BY ACTUARY ON CASH BASIS FOR THE JANUARY 14, 1992 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1991 through December 31, 1991

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 6,837,665 | $ 7,080,469 | 101% | 104% |
| Retired Employees (NM) | 2,585,784 | 3,245,745 | 141 | 126 |
| Retired Employees (M) | 1,921,110 | 1,637,847 | 62 | 85 |
| Adult Dependents (NM) | 2,915,056 | 3,425,651 | 119 | 118 |
| Adult Dependents (M) | 259,351 | 398,732 | 67 | 154 |
| Minor Dependents | 1,684,073* | 2,006,475 | 131 | 119 |
| TOTAL | $16,203,039 | $17,794,919 | 109% | 110% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,018,250 | $ 1,135,887 | 117% | 112% |
| Retired Employees (NM) | 412,543 | 414,510 | 106 | 100 |
| Retired Employees (M) | 1,435,804 | 1,427,971 | 96 | 99 |
| TOTAL | $ 2,866,597 | $ 2,978,368 | 104% | 104% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 262,608 | $ 274,714 | 108% | 105% |
| Retired Employees (NM) | 65,911 | 69,656 | 102 | 106 |
| Retired Employees (M) | 150,830 | 168,860 | 121 | 112 |
| TOTAL | $ 479,349 | $ 513,230 | 111% | 107% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 8,118,523 | $ 8,491,070 | 104% | 105% |
| Retired Employees (NM) | 3,064,238 | 3,729,911 | 136 | 122 |
| Retired Employees (M) | 3,507,744 | 3,234,678 | 78 | 92 |
| Adult Dependents (NM) | 2,915,056 | 3,425,651 | 119 | 118 |
| Adult Dependents (M) | 259,351 | 398,732 | 67 | 154 |
| Minor Dependents | 1,684,073* | 2,006,475 | 131 | 119 |
| TOTAL | $19,548,985 | $21,286,517 | 108% | 109% |

*Includes subsidy of $222,000 from Adult Dependent (NM) category and $351,000 from interest.

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# HEALTH SERVICE SYSTEM
## ANNUAL MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO

**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY - JANUARY 21, 1992 - 6:00 P.M.**

## AGENDA

DOCUMENTS DEPT.
JAN 21 1992
SAN FRANCISCO
PUBLIC LIBRARY

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:
   President Zvanski
   Vice President Deignan
   Commissioner Foster
   Commissioner Gonzalez
   Commissioner Krueger
   Commissioner Loos
   Commissioner Paretchan
4. President's Remarks -
5. Commissioner's Remarks -
6. Actuary Remarks -
7. Executive Director's Remarks -
   a. 1990-91 Draft Annual Report
8. Public Comments -
9. Adjournment -

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SF AGENDA

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR CONFERENCE ROOM**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, FEBRUARY 11, 1992 - 3:30 P.M.**

SPECIAL ORDER OF BUSINESS OF THE HEALTH SERVICE BOARD

APPEALS TO THE HEALTH SERVICE BOARD

1. Appeals to add dependents to Medical Plans — Action

   a. HSS No. 96300
   b. HSS No. 93457

2. Appeals to Lift Exemptions

   a. HSS No. 42425

3. Appeals to Cancel Dental Coverage

   a. HSS No. 12403
   b. HSS No. 60438

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, FEBRUARY 11, 1992 - 4:00 P.M.**

# A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. Minutes of Regular Meeting of January 14, 1992, submitted for approval -

   Action:

5. Actuarial Consultant's Report - Rael & Letson

   Action:

6. Report of Rates & Benefits Committee - Commissioner Loos, Chair

   a. Consideration of Proposed Rates and Benefits for Contract Health Plans for 1992-93 fiscal year -

      1. Bay Pacific Health Plan

      Action:

      2. Bridgeway Plan For Health

      Action:

      3. Foundation Health Plan

      Action:

      4. Kaiser Permanente Health Plan

      Action:

6. Report of Rates & Benefits Committee (cont'd.) -

   5. Qual-Med California Health Plan (Heals)

      Action:

   6. Health Net Health Plan

      Action:

   7. Maxicare Health Plan

      Action:

   8. TakeCare Health Plan

      Action:

   b. Consideration of Proposed Rates and Benefits of City Health Plan for 1992-93 Fiscal Year -

      Action:

   c. Consideration of Proposed Rates and Benefits of Contract Dental Plans for 1992-93 Fiscal Year -

      1. Colonial Life Dental Plan

         Action:

      2. Safeguard Dental Plan

         Action:

      3. DentiCare Dental Plan

         Action:

   d. Consideration of Colonial Life Disability Plan for 1992-93 Fiscal Year -

      Action:

7. Report of Budget Committee - Commissioner Foster, Chair -

   a. Consideration of 1992-93 Fiscal Year Administrative Budget

      Action:

8. Old Business -

   a. Approval of Amendment to St. Luke's Hospital Contract

      Action: Request continuance to March 10, 1992 meeting.

9. New Business -
    a. Report of the Health Service System Task Force -
        Action:
    b. Eligibility Requirement for Open Enrollment -
        Action:
    c. Adoption of 1990-91 Annual Report -
        Action:
10. Supplemental Agenda -
11. Executive Director's Report/Communications -
12. Announcements/Other Public Comment -
13. Adjournment -

S.F.

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, FEBRUARY 11, 1992 - 3:30 P.M.**

**AGENDA**
Minutes

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Gonzalez, Commissioner Krueger (Excused)

4. Special Order of Business - Appeals (3:30 P.M.)

   Action: Various (See Exhibit 'A')

5. Minutes of Regular Meeting of January 14, 1992, submitted for approval -

   Action: Approved (5-0 vote)

6. Actuarial Consultant's Report - Rael & Letson

   Action: Accepted and Filed (5-0 vote)

7. Report of Rates & Benefits Committee - Commissioner Loos, Chair

   a. Consideration of Proposed Rates and Benefits for Contract Health Plans for 1992-93 fiscal year -

      1. Bay Pacific Health Plan

      Action: Continued in Committee

      2. Bridgeway Plan For Health

      Action: Continued in Committee

      3. Foundation Health Plan

      Action: Continued in Committee

      4. Kaiser Permanente Health Plan

      Action: Continued in Committee

7. Report of Rates & Benefits Committee (cont'd.) -

    5. Qual-Med California Health Plan (Heals)

    Action: Continued in Committee

    6. Health Net Health Plan

    Action: Continued in Committee

    7. Maxicare Health Plan

    Action: Continued in Committee

    8. TakeCare Health Plan

    Action: Continued in Committee

    b. Consideration of Proposed Rates and Benefits of City Health Plan for 1992-93 Fiscal Year -

    Action: Continued in Committee

    c. Consideration of Proposed Rates and Benefits of Contract Dental Plans for 1992-93 Fiscal Year -

    1. Colonial Life Dental Plan

    Action: Continued in Committee

    2. Safeguard Dental Plan

    Action: Continued in Committee

    3. DentiCare Dental Plan

    Action: Continued in Committee

    d. Consideration of Colonial Life Disability Plan for 1992-93 Fiscal Year -

    Action: Approved (5-0 vote)

8. Report of Budget Committee - Commissioner Foster, Chair -

    a. Consideration of 1992-93 Fiscal Year Administrative Budget

    Action: Approved (5-0 vote)

9. Old Business -

    a. Approval of Amendment to St. Luke's Hospital Contract

    Action: Continued (5-0 vote)

10. New Business -

    a. Report of the Health Service System Task Force -

       Action: Information Item only. Action taken in Rates and Benefits Committee

    b. Eligibility Requirement for Open Enrollment -

       Action: Information Item Only

    c. Adoption of 1990-91 Annual Report -

       Action: Adopted (5-0 vote)

11. Supplemental Agenda - None

12. Executive Director's Report/Communications -

13. Announcements/Other Public Comment -

14. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - FEBRUARY 11, 1992 - 3:30 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 3:30 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Foster
   Commissioner Loos
   Commissioner Paretchan

   Absent: Commissioner Gonzalez
   Commissioner Krueger (Excused)

4. SPECIAL ORDER OF BUSINESS OF THE HEALTH SERVICE BOARD APPEALS - 3:30 P.M.

   Commissioner Paretchan reported the background on each of five appeals on the February agenda. The Board took action (Exhibit 'A') on each appeal.

5. MINUTES OF REGULAR MEETING OF JANUARY 14, 1992, SUBMITTED FOR APPROVAL -

   Commissioner Paretchan made a motion, which was seconded, to adopt the minutes of the Regular meeting of January 14, 1992. The motion was adopted 5-0 vote.

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON

   Mr. Rael, Rael & Letson, reported the City Plan I experience through December (Exhibit 'B') reflecting a loss ratio of 75% for the month (104% year to date) on medical benefits, 137% on prescription drugs (109% year to date), 81% on vision benefits (103% year to date) and an overall loss ratio of 84% (105% year to date).

   A request of PCS was made to determine use and cost for the drugs AZT and DDI. The data reflects that these drugs represent approximately 5% of active drug costs.

   A discussion and question and answer session followed. Commissioner Paretchan made a motion which was seconded to accept the monthly actuarial report. The motion was adopted (5-0 vote).

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Loos, Chair

Commissioner Loos reported that the Committee met earlier today and adopted a recommendation of the Health Service Task Force requesting that the HMO's freeze their rates for 1992-93 at existing levels. The request was formally made to the HMO's at the Committee meeting.

Items 7a and 7b were continued in Committee pending the response to that request. Item 7c was also continued.

On item 7d, the Committee recommended continuance of the Colonial Disability Plan for the 1992-93 benefit year with an income increase benefit. Commissioner Deignan made a motion, which was seconded, to approve the recommendation of the Committee. The motion was adopted (5-0 vote).

8. REPORT OF BUDGET COMMITTEE - Commissioner Foster, Chair

Commissioner Foster reported that the Committee met and reviewed the recommendations of staff in complying with the Mayor's directive to submit a 1992-93 low and high administrative budget. Commissioner Foster made a motion, which was seconded, to approve a low level budget of $2,474,043 and a high level budget of $2,590,303 (Exhibits 'C' to 'C-6') as submitted with the caveat that the total budget amount could change because of a formula change required by the Mayor. The motion was adopted (5-0 vote).

Commissioner Foster also indicated that there was discussion in Committee regarding the origin and purpose of the City Attorney's presence on the Health Service Board. Staff will followup on the inquiry of the Board.

9. OLD BUSINESS -

a. Approval of Amendment to St. Lukes Hospital Contract -

Commissioner Paretchan made a motion which was seconded, to continue the item. The motion was adopted 5-0 vote.

10. NEW BUSINESS - None

a. Report of the Health Service System Task Force -

Recommendations of the Task Force were already considered and acted on by the Rates and Benefits Committee. Information item only.

b. Eligibility Requirement for Open Enrollment -

Mr. Smith reported that staff had not yet prepared a rule amendment change. Discussion followed on the extent of eligibility documentation to be required. Information item only.

c. Adoption of 1990-91 Annual Report -

Commissioner Deignan made a motion, which was seconded, to adopt the 1990-91 Annual Report. The motion was adopted (5-0 vote).

11. SUPPLEMENTAL AGENDA - None

12. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 6,888 as of January 31st compared to 6,134 last month.

b. The voice mail system has been delayed because required switching equipment has not yet been installed by Pacific Bell.

13. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

a. A Rates and Benefits Committee meeting was set for February 21st at 11:00 A.M.

14. ADJOURNMENT -

There being no further business, Commissioner Paretchan made a motion, which was seconded, to adjourn the meeting. President Zvanski adjourned the meeting at 4:43 P.M.

Randall B. Smith
Executive Director

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR CONFERENCE ROOM**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, FEBRUARY 11, 1992 - 3:30 P.M.**

SPECIAL ORDER OF BUSINESS OF THE HEALTH SERVICE BOARD

APPEALS TO THE HEALTH SERVICE BOARD

| | | Action |
|---|---|---|
| 1. | Appeals to add dependents to Medical Plans | |
| | a. HSS No. 96300 | Approve (5-0 vote) |
| | b. HSS No. 93457 | Deny (5-0 vote) |
| 2. | Appeals to Lift Exemptions | |
| | a. HSS No. 42425 | Deny (5-0 vote) |
| 3. | Appeals to Cancel Dental Coverage | |
| | a. HSS No. 12403 | Deny (4-0 vote) Commissioner Loos, abstained |
| | b. HSS No. 60438 | Deny (4-0 vote) Commissioner Loos, abstained) |

**REPORT BY ACTUARY ON CASH BASIS FOR THE FEBRUARY 11, 1992 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1991 through January 31, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 8,360,096 | $ 7,882,763 | 53% | 94% |
| Retired Employees (NM) | 3,002,221 | 3,925,249 | 163 | 131 |
| Retired Employees (M) | 2,240,781 | 1,901,268 | 82 | 85 |
| Adult Dependents (NM) | 3,532,907 | 3,828,659 | 65 | 108 |
| Adult Dependents (M) | 302,798 | 434,596 | 83 | 144 |
| Minor Dependents | 2,025,128* | 2,268,964 | 77 | 112 |
| TOTAL | $19,463,931 | $20,241,499 | 75% | 104% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,244,910 | $ 1,423,176 | 127% | 114% |
| Retired Employees (NM) | 479,333 | 513,063 | 148 | 107 |
| Retired Employees (M) | 1,675,240 | 1,774,492 | 145 | 106 |
| TOTAL | $ 3,399,483 | $ 3,710,731 | 137% | 109% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 321,065 | $ 319,456 | 77% | 99% |
| Retired Employees (NM) | 76,596 | 80,261 | 99 | 105 |
| Retired Employees (M) | 175,950 | 190,089 | 85 | 108 |
| TOTAL | $ 573,611 | $ 589,806 | 81% | 103% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 9,926,071 | $ 9,625,395 | 63% | 97% |
| Retired Employees (NM) | 3,558,150 | 4,518,573 | 160 | 127 |
| Retired Employees (M) | 4,091,971 | 3,865,849 | 108 | 94 |
| Adult Dependents (NM) | 3,532,907 | 3,828,659 | 65 | 108 |
| Adult Dependents (M) | 302,798 | 434,596 | 83 | 144 |
| Minor Dependents | 2,025,128* | 2,268,964 | 77 | 112 |
| TOTAL | $23,437,025 | $24,542,036 | 84% | 105% |

*Includes subsidy of $259,000 from Adult Dependent (NM) category and $409,500 from interest.

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, MARCH 10, 1992 - 4:00 P.M.**

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**AGENDA**

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

| | |
|---|---|
| President Zvanski | Commissioner Krueger |
| Vice President Deignan | Commissioner Loos |
| Commissioner Foster | Commissioner Paretchan |
| Commissioner Gonzalez | |

4. Special Order of Business - Appeals (3:30 P.M.)

   a. Appeal to Add Dependent to Medical Plan

      HSS No. 87835

      Action:

   b. Appeal to Change Health Plan

      HSS No. 27524

      Action:

5. Minutes of Regular Meeting of February 11, 1992, submitted for approval -

   Action:

6. Actuarial Consultant's Report - Rael & Letson

   Action:

7. Report of Rates & Benefits Committee - Commissioner Loos, Chair

   a. Consideration of the Recommendations of the Health Service System Task Force

   b. Consideration of Proposed Rates and Benefits for Contract Health Plans for 1992-93 fiscal year -

      1. Bay Pacific Health Plan

      Action:

      2. Bridgeway Plan For Health

      Action:

7. Report of Rates & Benefits Committee - (cont'd.)

   3. Foundation Health Plan

      Action:

   4. Kaiser Permanente Health Plan

      Action:

   5. Qual-Med California Health Plan (Heals)

      Action:

   6. Health Net Health Plan

      Action:

   7. Maxicare Health Plan

      Action:

   8. TakeCare Health Plan

      Action:

   c. Consideration of Proposed Rates and Benefits of City Health Plan for 1992-93 Fiscal Year -

      Action:

   d. Consideration of Proposed Rates and Benefits of Contract Dental Plans for 1992-93 Fiscal Year -

      1. Colonial Life Dental Plan

         Action:

      2. Safeguard Dental Plan

         Action:

      3. DentiCare Dental Plan

         Action:

8. Old Business -

   a. Approval of Amendment to St. Luke's Hospital Contract (continued from 2/11/92)

      Action: Request Tabling this item to the call of the Chair

   b. Eligibility Requirement for Dependent Enrollment Requiring Amendment to Rule Part II, Section B, Subsection 2g (continued from 2/11/92)

      Action:

9. New Business -

   a. Consideration of Amendment of Section 125 Plan, Section 7.2 to extend the time allowed for filing Dependent Care Assistance Claims.

      Action:

   b. Resolution of Commendation on the Retirement of Health Service System Staff

      1. Mary R. Day
      2. Zoila Fiorentini
      3. Dorothy A. Geddes

      Action:

   c. Request for Approval of Membership of Staff Attorney in the National Health Lawyers Association

      Action:

   d. Amendment of Action Taken on 1992-93 Administrative Budget Submission -

      Action:

   e. Consideration of Request for Proposal to Provide Group Dental Plan -

      Action:

10. Supplemental Agenda -

11. Executive Director's Report/Communications -

12. Announcements/Other Public Comment -

13. Adjournment -

Minutes

# HEALTH SERVICE SYSTEM
# REGULAR MEETING OF THE HEALTH SERVICE BOARD
# OF THE CITY AND COUNTY OF SAN FRANCISCO
# HELD IN THE BOARD MEETING ROOM
# 1155 MARKET STREET, FOURTH FLOOR
# SAN FRANCISCO, CALIFORNIA

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## TUESDAY, MARCH 10, 1992 - 4:00 P.M.

## A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Foster (Excused), Commissioner Gonzalez

4. Special Order of Business - Appeals (3:30 P.M.) -

   a. Appeal to Add Dependent to Medical Plan

      HSS No. 87835

      Action: Denied (5-0 vote)

   b. Appeal to Change Health Plan

      HSS No. 27524

      Action: Denied (5-0 vote)

5. Minutes of Regular Meeting of February 11, 1992, submitted for approval -

   Action: Approved (5-0 vote)

6. Actuarial Consultant's Report - Rael & Letson

   Action: Report Accepted (5-0 vote)

7. Report of Rates & Benefits Committee - Commissioner Loos, Chair

   a. Consideration of Recommendations of the Health Service System Task Force

   b. Consideration of Proposed Rates and Benefits for Contract Health Plans for 1992-93 fiscal year -

   1. Bay Pacific Health Plan

      Action: Retained Plan (5-0 vote). Established $10 copayment benefit level (5-0 vote).

7. Report of Rates & Benefits Committee - Commissioner Loos, Chair (cont'd.)

2. Bridgeway Plan for Health

Action: Retained Plan (5-0 vote). Established $10 copayment level (5-0 vote).

3. Foundation Health Plan

Action: Retained Plan (5-0 vote). Established $10 copayment level (5-0 vote).

4. Kaiser Permanente Health Plan

Action: Retained Plan (5-0 vote). Established $10 copayment level (5-0 vote).

5. Qual-Med California Health Plans (Heals)

Action: Retained Plan (5-0 vote). Established $10 copayment level (5-0 vote).

6. Health Net Health Plan

Action: Retained Existing HMO's only (5-0 vote).

7. Maxicare Health Plan

Action: Retained Existing HMO's only (5-0 vote).

8. TakeCare Health Plan

Action: Retained Existing HMO's only (5-0 vote).

c. Consideration of Proposed Rates and Benefits of City Health Plan for 1992-93 Fiscal Year -

Action: Continued in Committee

d. Consideration of Proposed Rates and Benefits of Contract Dental Plans for 1992-93 Fiscal Year -

1. Colonial Life Dental PLan

Action: Continued in Committee

2. Safeguard Dental Plan

Action: Continued in Committee

3. DentiCare Dental Plan

Action Continued in Committee

8. Old Business

   a. Approval of Amendment to St. Luke's Hospital Contract (continued from 2/11/92)

      Action: Tabled at call of the Chair (5-0 vote)

   b. Eligibility Requirement for Dependent Enrollment Requiring Amendment to Rule Part II, Section B, Subsection 2g (continued from 2/11/92)

      Action: Approved (5-0 vote)

9. New Business -

   a. Consideration of Amendment of Section 125 Plan, Section 7.2 to extend the time allowed for filing Dependent Care Assistance Claims.

      Action: Approved as amended (5-0 vote).

   b. Resolution of Commendation on the Retirement of Health Service System Staff -

      1. Mary R. Day
      2. Zoila Fiorentini
      3. Dorothy A. Geddes

      Action: Approved (5-0 vote).

   c. Request for Approval of Membership of Staff Attorney in the National Health Lawyers Association -

      Action: Approved (5-0 vote).

   d. Amendment of Action Taken on 1992-93 Administrative Budget Submission -

      Action: Approved (5-0 vote).

   e. Consideration of Request for Proposal to Provide Group Dental Plan -

      Action: Approved (5-0 vote).

10. Supplemental Agenda -

    Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
    (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

    a. Suspension of Rules and Regulations Part II Membership and Coverage, Section A4a - Open Enrollment Period to make a one-time change in 1992 to set the open enrollment period to the month of May.

       Action: Approved (5-0 vote).

11. Executive Director's Report/Communications -
12. Announcements/Other Public Comment -
13. Adjournment -

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - MARCH 10, 1992 - 3:30 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:35 P.M. following conclusion of a Rates and Benefits Committee meeting.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Krueger
   Commissioner Loos
   Commissioner Paretchan

   Absent: Commissioner Foster (Excused)
   Commissioner Gonzalez

4. SPECIAL ORDER OF BUSINESS OF THE HEALTH SERVICE BOARD APPEALS -

   Commissioner Paretchan presented the February appeals report to the Board. After discussion of items on the report, Commissioner Loos made a motion, which was seconded, to accept the February appeals report. The motion passed 5-0 vote.

   Commissioner Paretchan reported the background on two appeals to the Board on the March agenda.

   a. Appeal to add dependent to medical plan

      HSS No. 87385

      After discussion of the case, Commissioner Deignan made a motion, which was seconded, to sustain staff's denial of the appeal. The motion was adopted 5-0 vote.

   b. Appeal to change health plan

      HSS No. 27524

      After discussion of the case, Commissioner Krueger made a motion, which was seconded, to sustain the staff's denial of the appeal. The motion was adopted 5-0 vote.

5. MINUTES OF REGULAR MEETING OF FEBRUARY 11, 1992, SUBMITTED FOR APPROVAL -

   Commissioner Paretchan made a motion, which was seconded, to adopt the minutes of the Regular meeting of February 11, 1992. The motion was adopted 5-0 vote.

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON

Ms. Heidi Hagler, Rael & Letson, reported the City Plan I experience through February (Exhibit 'A') reflecting a loss ratio of 98% for the month (103% year to date) on medical benefits, 112% on prescription drugs (110% year to date), 92% on vision benefits (102% year to date) and an overall loss ratio of 100% (104% year to date).

The medical benefit loss ratio was low due to a low active loss ratio and a claims backlog some of which backlog is attributed to the implementation of a front end component added to the claim processing system to provide better control.

A discussion and question and answer session followed. Commissioner Paretchan made a motion which was seconded to accept the monthly actuarial report. The motion was adopted (5-0 vote).

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Loos, Chair

a. Consideration of the Recommendations of the Health Service System Task Force -

Commissioner Loos reported that the Committee, which met earlier in the day, heard a report from President Zvanski on the recommendations of the joint Health Service Board/Union Task Force.

b. Consideration of Proposed Rates and Benefits for Contract Plans for 1992-93 fiscal year -

Commissioner Loos also reported the following recommendations of the Rates and Benefits Committee:

a. The Committee recommends that the existing Health Maintenance Organizations be retained for 1992-93 and no new HMO's added.

Commissioner Paretchan made a motion, which was seconded, to approve the recommendation of the Committee. The motion was adopted 5-0 vote.

b. The Committee recommended a modification of all HMO plans to a $10 copayment benefit design level.

Commissioner Paretchan made a motion, which was seconded, to approve the recommendation of the Committee. The motion was adopted 5-0 vote.

c. The Committee recommends a monthly employee contribution rate structure for 1992-93 for all plans of:

| | |
|---|---|
| Employee only | $ 30.00 |
| Employee + 1 dpn | 183.71 |
| Employee + 1 or more depns | 265.00 |

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Loos, Chair - (cont'd.)

In addition, the City Health Plan standard benefits would be reduced as follows:

a. Reduce Non-PPO hospital coverage from 80% to 70%
b. All other Non-PPO coverage from 80% to 70%
c. Eliminate Special Surgery Benefit
d. Eliminate dental benefits not related to accidental injury
e. Vision exams and lenses available every 24 months instead of 12 months
f. $862,000 of contingency reserve would be utilized.

Commissioner Paretchan made a motion, which was seconded, to approve the recommendation of the Committee. The motion failed 4-1 (Krueger). Note: Pursuant to Charter Section 8.423 five affirmative votes are necessary to adopt plans and rates of employee contribution.

d. Consideration of Proposed Rates and Benefits of Contract Dental Plans for 1992-93 Fiscal Year -

Commissioner Loos reported that this item was continued in Committee.

8. OLD BUSINESS -

a. Approval of Amendment to St. Luke's Hospital Contract (continued from 2/11/92) -

Mr. Smith requested that this item be tabled at the call of the Chair for recalendaring when the item is ready for Board action. Without objection, the item was ordered tabled at the call of the Chair.

b. Eligibility Requirement for Dependent Enrollment Requiring Amendment to Rule Part II, Section B, Subsection 2g (continued from 2/11/92) -

Mr. Smith presented the Board with an amendment (Exhibit 'B') to the subject rule provision which would allow asking eligibility verification for dependents at any time.

Commissioner Deignan made a motion, which was seconded, to approve the rule amendment. The motion was adopted (5-0 vote).

9. NEW BUSINESS -

a. Consideration of Amendment of Section 125 Plan, Section 7.2 to extend the time allowed for filing Dependent Care Assistance Claims.

Mr. Smith presented an amendment to the Section 125 Plan Document which would provide for a one-time filing period of 210 days for the 1990-91 Plan Year.

This request was initiated because of an employee case where $3,900 in child care expenses were denied because of a late filing after the 90 day benefit year end filing date.

9. NEW BUSINESS - (cont'd.)

After discussion of the proposed plan change including the issue of equal treatment of other employees in the same situation, Commissioner Krueger made a motion, which was seconded, to approve the amendment with a one-time extension of 300 days for the 1990-91 Plan Year (Exhibit 'C'). The motion was adopted 5-0 vote.

Note: All employees potentially affected will be notified.

b. Resolution of Commendation on the Retirement of Health Service System Staff -

1. Mary R. Day
2. Zoila Fiorentini
3. Dorothy A. Geddes

Commissioner Paretchan made a motion, which was seconded, to approve the Resolutions of Commendation (Exhibit 'D'). The motion was adopted 5-0 vote.

c. Request for Approval of Membership of Staff Attorney in the National Health Lawyers Association -

After discussion of the merits of membership and whether the City Attorney's office or the Health Service System should pay the cost, Commissioner Krueger made a motion to approve the request. The motion died for lack of a second motion.

After further discussion, Commissioner Krueger made a motion to approve the membership of the staff attorney in the National Health Lawyers Association at a cost of $90 a year. The motion was adopted (5-0 vote).

d. Amendment of Action Taken on 1992-93 Administrative Budget Submission -

Mr. Smith reported that the budget adopted by the Board in February was conditional on the Mayor's office not changing the formula for determining the high and low budget submission. The Mayor has changed the formula so that the high budget submission will represent 90% of our current General Fund budget plus uncontrollable fixed costs ($2,474,043) and a low request represents our current budget less 10% of our current General Fund support ($2,357,371).

Mr. Smith reviewed and provided to the Board (Exhibit 'E') a summary of the proposed reductions.

After discussion, Commissioner Deignan made a motion, which was seconded, to approve the amendment to the 1992-93 budget submission. The motion was adopted 5-0 vote.

e. Consideration of Request for Proposal to Provide Group Dental Plan -

Mr. Smith presented a proposed Dental Request for Proposal to be issued for submission of proposals on the City's employer paid dental plan.

The proposal will be sent to the large insurance companies, service organizations and other interested parties.

10. SUPPLEMENTAL AGENDA -

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

Commissioner Paretchan made a motion, which was seconded, to hear the Supplemental Agenda. The motion was adopted 5-0 vote.

a. Suspension of Rules and Regulations Part II Membership and Coverage, Section A4a - Open Enrollment Period to make a tone-time change in 1992 to set the open enrollment period to the month of May.

   Mr. Smith indicated to the Board that because of the delay in a decision on health insurance plans and the uncertainty on the dental plans that a suspension in the rules is necessary moving the open enrollment from April to May, 1992.

   Commissioner Deignan made a motion, which was seconded, to move the open enrollment from April to May, 1992. The motion was adopted 5-0 vote.

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 8,432 as of February 28th compared to 6,888 last month. Adjustment to a new front and claim processing component has caused some increased backlog.

12. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

a. A Special meeting of the Board was set for March 23rd at 9:00 A.M.

13. ADJOURNMENT -

There being no further business, Commissioner Paretchan made a motion, which was seconded, to adjourn the meeting. President Zvanski adjourned the meeting at 6:10 P.M.

Randall B. Smith
Executive Director

# REPORT BY ACTUARY ON CASH BASIS FOR THE MARCH 10, 1992 MEETING OF THE HEALTH SERVICE BOARD

## PLAN I

Experience for the period July 1, 1991 through February 29, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 9,444,431 | $ 8,629,266 | 69% | 91% |
| Retired Employees (NM) | 3,425,882 | 4,387,278 | 109 | 128 |
| Retired Employees (M) | 2,558,408 | 2,133,272 | 73 | 83 |
| Adult Dependents (NM) | 3,991,605 | 4,508,526 | 148 | 113 |
| Adult Dependents (M) | 346,433 | 502,803 | 156 | 145 |
| Minor Dependents | 2,299,132* | 2,641,926 | 136 | 115 |
| TOTAL | $22,065,891 | $22,803,071 | 98% | 103% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,405,069 | $ 1,627,215 | 127% | 116% |
| Retired Employees (NM) | 547,157 | 583,588 | 104 | 107 |
| Retired Employees (M) | 1,913,577 | 2,024,211 | 105 | 106 |
| TOTAL | $ 3,865,803 | $ 4,235,014 | 112% | 110% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 362,408 | $ 357,147 | 91% | 99% |
| Retired Employees (NM) | 87,429 | 89,968 | 90 | 103 |
| Retired Employees (M) | 200,938 | 213,739 | 95 | 106 |
| TOTAL | $ 650,775 | $ 660,854 | 92% | 102% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $11,211,908 | $10,613,628 | 77% | 95% |
| Retired Employees (NM) | 4,060,468 | 5,060,834 | 108 | 125 |
| Retired Employees (M) | 4,672,923 | 4,371,222 | 87 | 94 |
| Adult Dependents (NM) | 3,991,605 | 4,508,526 | 148 | 113 |
| Adult Dependents (M) | 346,433 | 502,803 | 156 | 145 |
| Minor Dependents | 2,299,132* | 2,641,926 | 136 | 115 |
| TOTAL | $26,582,469 | $27,698,939 | 100% | 104% |

*Includes subsidy of $296,000 from Adult Dependent (NM) category and $468,000 from interest.

AMENDED

# HEALTH SERVICE SYSTEM
# SPECIAL MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

## MONDAY, MARCH 23, 1992 - 9:00 A.M.

## AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. Special Order of Business - Consideration of Health Plan Rates and Benefits for 1992-93 -

   a. City Health Plan

      Action:

   b. Aetna Bay Pacific Health Plan

      Action:

   c. Bridgeway Plan for Health

      Action:

   d. Foundation Health Plan

      Action:

   e. Kaiser Permanente Health Plan

      Action:

   f. Qual-Med California Health Plans (Heals)

      Action:

5. Consideration of Proposed Employer Paid Dental Plan -

   Action:

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March 23, 1992

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**HEALTH SERVICE SYSTEM**
**RECESSED SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**MONDAY, MARCH 30, 1992 - 9:00 A.M.**

# A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. Special Order of Business - Consideration of Health Plan Rates and Benefits for 1992-93 - (Continued from 3/24/92)

   a. City Health Plan

      Action:

   b. Aetna Bay Pacific Health Plan

      Action:

   c. Bridgeway Plan for Health

      Action:

   d. Foundation Health Plan

      Action:

   e. Kaiser Permanente Health Plan

      Action:

   f. Qual-Med California Health Plans (Heals)

      Action:

5. Consideration of Proposed Employer Paid Dental Plan - (Continued from 3/24/92)

   Action:

6. Adjournment -

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March 30, 1992

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**HEALTH SERVICE SYSTEM**
**RECESSED SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**WEDNESDAY, APRIL 1, 1992 - 9:00 A.M.**

# AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:
   President Zvanski
   Vice President Deignan
   Commissioner Foster
   Commissioner Gonzalez
   Commissioner Krueger
   Commissioner Loos
   Commissioner Paretchan

4. Special Order of Business - Consideration of Health Plan Rates and Benefits for 1992-93 - (Continued from 3/30/92)

   a. City Health Plan

      Action:

   b. Aetna Bay Pacific Health Plan

      Action:

   c. Bridgeway Plan for Health

      Action:

   d. Foundation Health Plan

      Action:

   e. Kaiser Permanente Health Plan

      Action:

   f. Qual-Med California Health Plans (Heals)

      Action:

5. Consideration of Proposed Employer Paid Dental Plan - (Continued from 3/30/92)

   Action:

6. Adjournment -

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April 1, 1992

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**HEALTH SERVICE SYSTEM**
**SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

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**THURSDAY, APRIL 9, 1992 - 9:00 A.M.**

**A G E N D A**

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

| | |
|---|---|
| President Zvanski | Commissioner Krueger |
| Vice President Deignan | Commissioner Loos |
| Commissioner Foster | Commissioner Paretchan |
| Commissioner Gonzalez | |

4. Special Order of Business - Consideration of Dental Plans, Rates and Benefits for the 1992-93 Fiscal Year -

   Action:

5. Consideration of Health Plan Rates and Benefits for 1992-93 -

   a. City Health Plan

      Action: Approved Contribution Rates and Benefits (5-0 vote) 3/30/92.

   b. Aetna Bay Pacific Health Plan

      Action: Approved Contribution Rates and Benefits (5-0 vote) 3/30/92.

   c. Bridgeway Plan for Health

      Action: Approved Contribution Rates and Benefits (5-0 vote) 3/30/92.

   d. Foundation Health Plan

      Action: Approved Contribution Rates and Benefits (5-0 vote) 3/30/92.

   e. Kaiser Permanente Health Plan

      Action: Approved Contribution Rates and Benefits (5-0 vote) 3/30/92.

   f. Qual-Med California Health Plans (Heals)

      Action: Approved Contribution Rates and Benefits (5-0 vote) 3/30/92.

6. Adjournment -

HEALTH SERVICE BOARD

April 9, 1992

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

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**TUESDAY, APRIL 14, 1992 - 4:00 P.M.**

# AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. Appeals to Health Service Board -

   a. Appeal to Enroll in Health Service System

      HSS No. 81269

      Action:

5. Minutes of Regular Meeting of March 10, 1992 and Special Meetings of March 23 - April 1, 1992 and April 9, 1992 submitted for approval -

   Action:

6. Actuarial Consultant's Report - Rael & Letson

   Action:

7. Old Business -

   a. Consideration of Dental Plans, Rates and Benefits for the 1992-93 Fiscal Year (continued from April 9, 1992)-

      Action:

   b. Consideration of Policy Resolution Supporting Employee Health Contribution Rate and Benefit Changes (continued from April 9, 1992)-

      Action:

8. New Business -

   a. Consideration of Feasibility of Hospital and Physician Contracts with R.K. Davies and U.C. Medical Center -

      Action:

   b. Consideration of Colonial Life Request to Offer Hospital Income Plan for 1992-93 Fiscal Year -

      Action:

   c. Presentation of Outpatient Services Review Program by Health Care Evaluation, Inc.

      Action:

   d. Response To Inquiry on Enrollment of Domestic Partners at Other Than Open Enrollment -

      Action:

9. Executive Director's Report/Communications -

10. Announcements/Other Public Comment -

11. Adjournment -

S.F

# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

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**TUESDAY, APRIL 14, 1992 - 4:00 P.M.**

(Minutes) **AGENDA**

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

| | | |
|---|---|---|
| Present: | President Zvanski | Commissioner Krueger |
| | Vice President Deignan | Commissioner Loos |
| | Commissioner Foster | Commissioner Paretchan |
| | Commissioner Gonzalez | |

4. Appeals to Health Service Board -

   a. Appeal to Enroll in Health Service System

      HSS No. 81269

      Action: Denied (6-0 vote)

5. Minutes of Regular Meeting of March 10, 1992 and Special Meetings of March 23 - April 1, 1992 and April 9, 1992 submitted for approval -

   Action: Approve March 10th minutes and Continue Special Meeting Minutes to May 12th (6-0 vote).

6. Actuarial Consultant's Report - Rael & Letson

   Action: Report accepted (6-0 vote).

7. Old Business -

   a. Consideration of Dental Plans, Rates and Benefits for the 1992-93 Fiscal Year (continued from April 9, 1992)-

   Action: Approve intent to enter into contract with Delta Dental to provide indemnity dental plan for active employees (6-0 vote).

   Approve intent to enter into contract with DentiCare and Safeguard to provide a prepaid dental plan to active employees (5-1 vote, Deignan).

   Approve intent to enter into contract with Delta Dental to provide indemnity contributory dental plan and with DentiCare and Safeguard to provide prepaid dental plans to retirees (5-0 vote).

7. Old Business (cont'd.) -

   Approve participation of active employee members of the Health Service System who are not entitled to employer paid dental in the three contributory dental plans being offered (5-0 vote).

   b. Consideration of Policy Resolution Supporting Employee Health Contribution Rate and Benefit Changes (continued from April 9, 1992)-

      Action:Approved (6-0 vote).

8. New Business -

   a. Consideration of Feasibility of Hospital and Physician Contracts with R.K. Davies and U.C. Medical Center -

      Action: Referred to Rates and Benefits Committee (5-0 vote).

   b. Consideration of Colonial Life Request to Offer Hospital Income Plan for 1992-93 Fiscal Year -

      Action: Approved (6-0 vote).

   c. Presentation of Outpatient Services Review Program by Health Care Evaluation, Inc.

      Action: Referred to Rates and Benefits Committee (6-0 vote).

   d. Response To Inquiry on Enrollment of Domestic Partners at Other Than Open Enrollment -

      Action: Draft Response on Board's Position (6-0 vote).

9. Executive Director's Report/Communications -

10. Announcements/Other Public Comment -

11. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - APRIL 14, 1992 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:14 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

Present: President Zvanski
Vice President Deignan
Commissioner Foster
Commissioner Gonzalez
Commissioner Krueger
Commissioner Loos
Commissioner Paretchan

4. APPEALS TO THE HEALTH SERVICE BOARD -

Commissioner Paretchan presented the March appeals report (Exhibit 'A') to the Board. After discussion of items on the report, Commissioner Loos made a motion, which was seconded, to accept the March appeals report. The motion passed 6-0 vote.

Commissioner Paretchan reported the background on one appeal to the Board.

a. Appeal to Enroll in Health Service System

HSS No. 81269

After discussion of the case, Commissioner Loos made a motion, which was seconded, to sustain the denial and adhere to the Rules of the System and the City Charter on the appeal. The motion was adopted 6-0 vote.

5. MINUTES OF REGULAR MEETING OF MARCH 10, 1992, AND SPECIAL MEETINGS OF MARCH 23 - APRIL 1, 1992 AND APRIL 9, 1992 SUBMITTED FOR APPROVAL -

Commissioner Paretchan made a motion, which was seconded, to adopt the minutes of the Regular meeting of March 10, 1992. The motion was adopted 6-0 vote. Without objection, the President ordered the Special Meeting minutes continued to the next regular meeting.

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON

Mr. Tito Rael, Rael & Letson, reported the City Plan I experience through March (Exhibit 'B') reflecting a loss ratio of 115% for the month (105% year to date) on medical benefits, 115% on prescription drugs (110% year to date), 101% on vision benefits (101% year to date) and an overall loss ratio of 115% (105% year to date).

Mr. Rael also presented the quarterly claim cost report (Exhibit 'C').

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON (cont'd.)

A discussion and question and answer session followed. Commissioner Deignan made a motion which was seconded to accept the monthly actuarial report. The motion was adopted (6-0 vote).

7. OLD BUSINESS -

NOTE: Commissioner Loos requested that the Board bypass item 7a to return to it later since he was not eligible to participate in consideration of the item. Without objection, the President moved to item 7b.

b. Consideration of Policy Resolution Supporting Employee Health Contribution Rate and Benefit Changes (continued from April 9, 1992) -

Mr. Smith presented a proposed Resolution (Exhibit 'D') for adoption by the Board as well as an open letter to members on the circumstances surrounding the July 1st contribution rates and benefits.

Commissioner Deignan made a motion, which was seconded, to approve the Resolution and letter to members.

Commissioner Loos expressed his disappointment at the rates and benefits adopted for next year and the fact that Health Plan I will continue to be adversely impacted. He expressed some satisfaction that the HMO's were brought to a more level playing field. He urged review on a continuing basis of the impact of those changes made as well as a continued review of HMO relationships. He also urged an earlier decision making process for next year.

President Zvanski expressed the view that the Task Force meetings continue so that last minute decisions will not be forced on the Board in the future.

The motion was then adopted (6-0 vote).

8. NEW BUSINESS -

a. Consideration of Feasibility of Hospital and Physician Contracts with R.K. Davies and U.C. Medical Center -

Mr. Brian Christianson of R.K. Davies and Dr. Abraham Aronow who is affiliated with the hospital testified on the uniqueness of care provided by the hospital and its physicians for AIDS-related cases.

Ms. Ann Schlegel, a City employee testified on the quality of care provided at the hospital and presented the Board with letters of support and a petition signed by 200 employees urging a Preferred Provider contract with the hospital.

After further discussion, Commissioner Foster made a motion, which was seconded, that the issue be put on a future Rates and Benefits Committee agenda. The motion passed (5-0 vote).

Note: Commissioner Loos left the meeting at 5:15 P.M. during discussion of this item.

8. NEW BUSINESS (cont'd.) -

b. Consideration of Colonial Life Request to Offer Hospital Income Plan for 1992-93 Fiscal Year -

Mr. Smith presented Colonial's request to offer a hospital income plan (Exhibit 'E') as a supplemental to their disability plan package.

After discussion and comment by Gene Stasch of Colonial, Commissioner Deignan made a motion, which was seconded, to approve the offering of the Colonial Hospital Income Plan as part of their disability program. The motion was adopted 6-0 vote.

Note: Commissioner Gonzalez arrived at 5:23 P.M. during discussion of this item.

c. Presentation of Outpatient Services Review Program by Health Care Evaluation, Inc. -

Ms. Jackie Grove, HCE, presented an overview of their outpatient services review program emphasizing its strengths and ability to monitor outpatient surgeries and diagnostic testing.

After discussion, Commissioner Deignan made a motion to refer this item to Rates and Benefits Committee. The motion was adopted 6-0 vote.

d. Response to Inquiry on Enrollment of Domestic Partners at Other Than Open Enrollment -

President Zvanski indicated that a letter was received from the Board of Supervisors inquiring on enrollment of domestic partners at other than open enrollment.

She indicated that the Mayor's Family Task Force had reported that domestic partners could be added only during the open enrollment period initially as well as the HMO's had agreed to participate on this condition.

Mr. Smith added that the contract renewals for next year will include cost data for the first time so that this issue could be addressed at that time..

Commissioner Gonzalez added that there should be an acknowledgment by the Board that an inequity exists in that a benefit is being extended to married persons which is not being extended to domestic partners. The Board concurred with that premise.

Commissioner Paretchan made a motion, which was seconded, to respond to the Board of Supervisors on the Board's current rationale on this issue. The motion was adopted 6-0 vote.

Note: The President then returned to item 7a.

7. OLD BUSINESS -

a. Consideration of Dental Plans, Rates and Benefits for the 1992-93 Fiscal Year (continued from April 9, 1992) -

Mr. Smith presented staff's and the System's consulting actuaries analysis and recommendations (Exhibit 'F'- F7') regarding both the employer paid and contributory dental plans.

Dr. Steven Baileys, President of Safeguard, requested and received permission from the Chair to present an alternative dental rate proposal from their original submission.

The Board then engaged in a question and answer session with the providers and staff.

Commissioner Deignan made a motion which was seconded, to approve contracting with Delta Dental to provide the indemnity plan to active employees. The motion passed 6-0 vote.

Commissioner Deignan made a motion, which failed for lack of a second, to approve contracting with DentiCare to provide a prepaid plan for active employees.

Commissioner Foster made a motion, which was seconded, to approve both DentiCare and Safeguard to provide a prepaid plan to active employees. The motion was adopted 5-1 vote (Deignan).

Commissioner Paretchan made a motion, which was seconded, to approve contracting with Delta Dental (Option 2) to provide a contributory indemnity plan and DentiCare (9293 SF) and Safeguard to provide a contributory prepaid plan to retirees. The motion was adopted 6-0 vote.

Note: Commissioner Deignan left the meeting at this time.

Commissioner Foster made a motion, which was seconded, to allow participation in the contributory dental plans by active employee members not eligible for an employer paid dental plan. The motion was adopted 5-0 vote.

9. EXECUTIVE DIRECTOR'S REPORT - Continued to May Meeting

10. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

11. ADJOURNMENT -

There being no further business, Commissioner Paretchan made a motion, which was seconded, to adjourn the meeting. President Zvanski adjourned the meeting at 6:50 P.M.

Randall B. Smith
Executive Director

## APPEALS REPORT FOR MONTH OF MARCH, 1992

### 1. Request to Add Dependents to Medical Plans

| | |
|---|---|
| HSS No. 20372 Deny | To add 2-month old child for one month in order to have nursery bills paid by Bay Pacific.<br><br>Member has been given the opportunity to add child effective date of birth, however, the child must stay on the plan until July 1, 1992. |
| HSS No. 49941 Deny | Subscriber participates in Section 125. No change in family status. |
| HSS No. 07990 Deny | To add a domestic partner under the provisions of a job displacement. Dependent lost coverage October 1, 1991, well over thirty days. |
| HSS No. 84669 Approve | Child gained student status. |
| HSS No. 40640 Deny | To add pregnant daughter. Note: Health Service System has a court order to add the child effective July 1st. |
| HSS No. 96155 Approve | To add spouse who entered the country between 30 and 90 days ago. |
| HSS No. 16672 Approve | To add spouse who entered the country between 30 and 90 days ago. |
| HSS No. 97377 Approve | Member failed to respond to Health Service student verification inquiry in a timely manner. Health Service terminated child. Student status documented - child reinstated. |
| HSS No. 07194 Approve | To add grandson born over 30 days. |
| HSS No. 18012 Deny | Job displacement. Dependent lost coverage over 90 days ago. |
| HSS No. 11020 Deny | Job displacement. Dependent lost coverage over 90 days ago. |

2. **Requests For Reinstatement**

| | |
|---|---|
| HSS No. 23187 Deny | Member terminated employment 6-30-91. Requests COBRA coverage. |

3. **Request to Change the Effective Date of Coverage**

| | |
|---|---|
| HSS No. 97272 Deny | Member added spouse under provisions of job displacement. Request to change effective date of wife's coverage after Plan had already been notified. |

4. **Request to Lift Exemption**

| | |
|---|---|
| HSS No. 04287 Deny | Placed into exempt for non-payment of premiums. Certified termination letter was received by member, however, no action taken on her part. |

5. **Request To Cancel Dental**

| | |
|---|---|
| HSS No. 45128 Deny | Active employee. Spouse obtained dental insurance through employment. Subscriber cancelled dependents thereby reducing biweekly premium to $3.99 |

| | |
|---|---|
| Total appeals | 15 |
| Approvals | 5 |
| Denials | 10 |

7% of all appeals pertain to Dental

# REPORT BY ACTUARY ON CASH BASIS FOR THE APRIL 14, 1992 MEETING OF THE HEALTH SERVICE BOARD

## PLAN I

Experience for the period July 1, 1991 through March 31, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $10,511,694 | $ 9,718,274 | 102% | 92% |
| Retired Employees (NM) | 3,835,772 | 4,907,969 | 127 | 128 |
| Retired Employees (M) | 2,877,618 | 2,407,707 | 86 | 84 |
| Adult Dependents (NM) | 4,443,590 | 5,183,514 | 149 | 117 |
| Adult Dependents (M) | 389,829 | 549,433 | 107 | 141 |
| Minor Dependents | 2,568,351* | 2,990,514 | 129 | 116 |
| TOTAL | $24,626,854 | $25,757,411 | 115% | 105% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,562,736 | $ 1,834,347 | 131% | 117% |
| Retired Employees (NM) | 612,775 | 659,596 | 116 | 108 |
| Retired Employees (M) | 2,152,602 | 2,273,280 | 104 | 106 |
| TOTAL | $ 4,328,113 | $ 4,767,223 | 115% | 110% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 403,077 | $ 397,414 | 99% | 99% |
| Retired Employees (NM) | 97,894 | 98,448 | 81 | 101 |
| Retired Employees (M) | 225,978 | 241,728 | 112 | 107 |
| TOTAL | $ 726,949 | $ 737,590 | 101% | 101% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $12,477,507 | $11,950,035 | 106% | 96% |
| Retired Employees (NM) | 4,546,441 | 5,666,013 | 125 | 125 |
| Retired Employees (M) | 5,256,198 | 4,922,715 | 95 | 94 |
| Adult Dependents (NM) | 4,443,590 | 5,183,514 | 149 | 117 |
| Adult Dependents (M) | 389,829 | 549,433 | 107 | 141 |
| Minor Dependents | 2,568,351* | 2,990,514 | 129 | 116 |
| TOTAL | $29,681,916 | $31,262,224 | 115% | 105% |

*Includes subsidy of $333,000 from Adult Dependent (NM) category and $526,500 from interest.

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, MAY 12, 1992 - 4:00 P.M.**

# AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. Closed Session:

   Pursuant to Government Code Sections 54956.9(B)(1), 54957 and 54957.6, the Health Service System Board will meet in Closed Session to discuss the current status of labor negotiations with its representatives.

5. Minutes of Special Meetings of March 23 - April 1, 1992 and April 9, 1992 and the Regular Meeting of April 14, 1992, submitted for approval -

   Action:

6. Actuarial Consultant's Report - Rael & Letson

   Action:

7. Report of Rates & Benefits Committee - Commissioner Loos, Chair

   a. Consideration of Feasibility of Hospital and Physician Contracts with R.K. Davies -

      Action:

   b. Hospital Rate Increase Requests

      Action:

8. Old Business -

9. New Business -

   a. Authorization to Attend International Foundation of Employee Benefits Annual Conference on September 18-23, 1992 to be held in Montreal, Quebec -

      Action:

   b. Consideration of Alternative Contribution Rate Structure for Resigned Retirees in City Health Plan -

      Action:

10. Executive Director's Report/Communications -

11. Announcements/Other Public Comment -

12. Adjournment -

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, MAY 12, 1992 - 4:00 P.M.**

Minutes

**AGENDA** (Actions)

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1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Gonzalez, Commissioner Krueger

4. Closed Session:

   Pursuant to Government Code Sections 54956.9(B)(1), 54957 and 54957.6, the Health Service System Board will meet in Closed Session to discuss the current status of labor negotiations with its representatives.

5. Minutes of Special Meetings of March 23 - April 1, 1992 and April 9, 1992 and the Regular Meeting of April 14, 1992, submitted for approval -

   Action: Approved (5-0 vote).

6. Actuarial Consultant's Report - Rael & Letson

   Action: Report filed.

7. Report of Rates & Benefits Committee - Commissioner Loos, Chair

   a. Consideration of Feasibility of Hospital and Physician Contracts with R.K. Davies -

      Action: Approve HIV Specialty Contract (4-1 vote).

   b. Hospital Rate Increase Requests

      Action: Approve St. Mary's Hospital Contract (5-0 vote).
      Request Rate Freeze from Washington and Marin Hospitals (5-0 vote).

8. Old Business -

9. New Business -

   a. Authorization to Attend International Foundation of Employee Benefits Annual Conference on September 18-23, 1992 to be held in Montreal, Quebec -

      Action: Approved (5-0 vote).

   b. Consideration of Alternative Contribution Rate Structure for Resigned Retirees in City Health Plan -

      Action: Approved (5-0 vote).

10. Executive Director's Report/Communications -

11. Announcements/Other Public Comment -

12. Adjournment -

Minutes

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - MAY 12, 1992 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:20 P.M. at the conclusion of a Rates and Benefits Committee meeting.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

Present: President Zvanski
Vice President Deignan
Commissioner Foster
Commissioner Loos
Commissioner Paretchan

Absent: Commissioner Gonzalez
Commissioner Krueger

4. CLOSED SESSION:

Pursuant to Government Code Sections 54956.9(B)(1), 54957 and 54957.6, the Health Service System Board will meet in Closed Session to discuss the current status of labor negotiations with its representatives.

President Zvanski ordered the Board into closed session to discuss meet and confer negotiations with the City's Employee Relations Director.

The closed session, ended at 4:43 P.M. at which time, President Zvanski announced that the City's labor negotiator has been provided instruction by the Board and will meet next week with the employee organizations.

5. MINUTES OF SPECIAL MEETINGS OF MARCH 23, 1992 - APRIL 1, 1992 AND APRIL 9, 1992 AND THE REGULAR MEETING OF APRIL 14, 1992 SUBMITTED FOR APPROVAL -

Commissioner Paretchan made a motion, which was seconded, to adopt the minutes of the Special meetings of March 23, 1992 - April 1, 1992 and April 9, 1992 and the Regular Meeting of April 14, 1992. The motion was adopted 5-0 vote.

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON

Mr. Tito Rael, Rael & Letson, reported the City Plan I experience through April (Exhibit 'A') reflecting a loss ratio of 143% for the month (108% year to date) on medical benefits, 119% on prescription drugs (111% year to date), 111% on vision benefits (102% year to date) and an overall loss ratio of 138% (108% year to date).

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON (cont'd.)

Mr. Tito Rael indicated that although we had a terrible month, the overall loss ratio increased by only 3% because we are so far into the year. The loss ratio is now at the approximate level it was at as of November, 1991.

Mr. Rael also advocated the presentation of an accural reporting basis if not monthly then quarterly.

After discussion, the report was ordered filed.

7. REPORT OF RATES & BENEFITS COMMITTEE - COMMISSIONER LOOS, CHAIR

a. Consideration of Feasibility of Hospital and Physician Contracts with R.K. Davies -

Commissioner Loos reported and made a motion, which was seconded, to adopt a recommendtion by the committee to contract with R.K. Davies for specialty HIV services only. The motion was adopted by a 4-1 vote (Paretchan).

b. Hospital Rate Increase Requests -

Mr. Smith indicated that St. Mary's Hospital has a new proposal which they would like to proceed with even in light of the Davies contract approval.

After discussion, Commissioner Deignan made a motion, which was seconded, to accept the St. Mary's Hospital proposal. The motion was adopted 5-0 vote.

After discussion on rate increases of Washington and Marin General, Commissioner Loos made a motion, which was seconded, to ask these hospitals to hold their rates in light of the City's as well as the general economic climate. The motion was adopted on a 5-0 vote.

8. OLD BUSINESS -

President Zvanski recognized Mr. Rael, who advocated that the outpatient review program, which was previewed last month, be implemented July 1st. He also advocated one entity doing all hospital utilization review.

Mr. Smith indicated that to implement the outpatient review program that the proposals received from seven (7) vendors will have to be reviewed and a selection of one of the firms made by the June Board meeting (Discussion item only).

9. NEW BUSINESS -

a. Authorization to Attend International Foundation of Employee Benefits Annual Conference on September 18-23, 1992 to be held in Montreal, Quebec -

Commissioner Loos made a motion, which was seconded, to approve the Resolution authorizing attendance at the Annual Conference. The motion was adopted on a 5-0 vote.(Exhibit 'B').

9. NEW BUSINESS - (cont'd.)

   b. Consideration of Alternative Contribution Rate Structure for Resigned Retirees in City Health Plan -

      Commissioner Paretchan made a motion, which was seconded to approve the existing contribution rate for the Resigned-No Medicare members of the City Health Plan (Exhibit 'C').

10. EXECUTIVE DIRECTOR'S REPORT -

    Mr. Smith reported the following:

    a. The outstanding claim count is at 9,791 as of April 30th compared to 9,502 last month.

    b. Two of the three early retirements have been approved for immediate refill and one Senior Clerk Typist position has been abolished.

    c. The proposed Charter amendment to combine the Retirement System and Health Service System has been withdrawn at the request of the Public Employees Labor Council.

    d. There is again a possibility of introduction of a Charter amendment to add a pharmacist to the Health Service Board as a result of the recommendation of a Board of Supervisors' Task Force on the Effect of Large Scale Drug Stores on Neighborhood Shopping Districts.

    e. The Open Enrollment materials are currently being prepared and will be distributed this week although a portion of the distribution will spill over to next week.

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

    President Zvanski recognized Commissioner Paretchan who made a motion, which was seconded, to send a letter to the City Attorney, thanking her for absorbing Commissioner Krueger's time within her department's overhead costs. The motion was adopted 5-0 vote.

12. ADJOURNMENT -

    There being no further business, President Zvanski adjourned the meeting at 5:35 P.M.

Randall B. Smith
Executive Director

**REPORT BY ACTUARY ON CASH BASIS FOR THE MAY 12, 1992 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1991 through April 30, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $11,512,325 | $11,062,739 | 134% | 96% |
| Retired Employees (NM) | 4,267,006 | 5,596,833 | 160 | 131 |
| Retired Employees (M) | 3,197,902 | 2,824,688 | 130 | 88 |
| Adult Dependents (NM) | 4,870,105 | 5,919,742 | 173 | 122 |
| Adult Dependents (M) | 433,334 | 618,645 | 159 | 143 |
| Minor Dependents | 2,829,439* | 3,278,344 | 110 | 116 |
| TOTAL | $27,110,111 | $29,300,991 | 143% | 108% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,709,959 | $ 2,050,192 | 147% | 120% |
| Retired Employees (NM) | 681,154 | 734,507 | 110 | 108 |
| Retired Employees (M) | 2,392,504 | 2,524,198 | 105 | 106 |
| TOTAL | $ 4,783,617 | $ 5,308,897 | 119% | 111% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 441,116 | $ 439,166 | 110% | 100% |
| Retired Employees (NM) | 108,786 | 107,801 | 86 | 99 |
| Retired Employees (M) | 251,121 | 272,816 | 124 | 109 |
| TOTAL | $ 801,023 | $ 819,783 | 111% | 102% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $13,663,400 | $13,552,097 | 135% | 99% |
| Retired Employees (NM) | 5,056,946 | 6,439,141 | 151 | 127 |
| Retired Employees (M) | 5,841,527 | 5,621,702 | 119 | 96 |
| Adult Dependents (NM) | 4,870,105 | 5,919,742 | 173 | 122 |
| Adult Dependents (M) | 433,334 | 618,645 | 159 | 143 |
| Minor Dependents | 2,829,439* | 3,278,344 | 110 | 116 |
| TOTAL | $32,694,751 | $35,429,671 | 138% | 108% |

*Includes subsidy of $370,000 from Adult Dependent (NM) category and $585,000 from interest.

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, JUNE 9, 1992 - 3:30 P.M.**

# AGENDA

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1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

| | | |
|---|---|---|
| Present: | President Zvanski | Commissioner Krueger |
| | Vice President Deignan | Commissioner Loos |
| | Commissioner Foster | Commissioner Paretchan |
| | Commissioner Gonzalez | |

4. Special Order of Business - 3:30 P. M. - Closed Session:

   Pursuant to Government Code Sections 54956.9(B)(1), 54957 and 54957.6, the Health Service System Board will meet in Closed Session to discuss the current status of labor negotiations with its representatives.

5. Minutes of Regular Meeting of May 12, 1992, submitted for approval -

   Action:

6. Actuarial Consultant's Report - Rael & Letson

   Action:

7. Old Business -

8. New Business -

   a. Consideration of Resolution to Utilize Forfeited Amounts from the 1990-91 Dependent Care Assistance Program to Offset Administrative Expenses to Plan Participants for the 1992-93 Plan Year.

      Action:

   b. Open Enrollment Activity Report -

      Action:

   c. Discussion of Qual-Med Policy for Managed Care of HIV Patients -

      Action:

d. Consideration of Actuarial and Health Care Consulting Service Contract for 1992-93 Fiscal Year -

Action:

e. Consideration of Managed Care Contract(s) for 1992-93 Fiscal Year -

Action:

f. Discussion of Policy on Retirees Not Eligible for Health Service System -

Action:

g. Consideration of Contract for Laboratory Services with Meris Labs -

Action:

h. Election of Officers for 1992-93 Fiscal Year -

Action:

9. Executive Director's Report/Communications -

10. Announcements/Other Public Comment -

11. Adjournment -

SF Minutes

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

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**TUESDAY, JUNE 9, 1992 - 3:30 P.M.**

**AGENDA** Action Item

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Paretchan

   Absent: Commissioner Gonzalez, Commissioner Loos

4. Special Order of Business - 3:30 P. M. - Closed Session:

   Pursuant to Government Code Sections 54956.9(B)(1), 54957 and 54957.6, the Health Service System Board will meet in Closed Session to discuss the current status of labor negotiations with its representatives.

5. Minutes of Regular Meeting of May 12, 1992, submitted for approval -

   Action: Approved (5-0 vote)

6. Actuarial Consultant's Report - Rael & Letson

   Action: Report filed.

7. Old Business -

8. New Business -

   a. Consideration of Resolution to Utilize Forfeited Amounts from the 1990-91 Dependent Care Assistance Program to Offset Administrative Expenses to Plan Participants for the 1992-93 Plan Year.

      Action: Adopted (5-0 vote)

   b. Open Enrollment Activity Report -

      Action: Report filed.

   c. Discussion of Qual-Med Policy for Managed Care of HIV Patients -

      Action: Discussion Item Only

d. Consideration of Actuarial and Health Care Consulting Service Contract for 1992-93 Fiscal Year -

Action: Continued.

e. Consideration of Managed Care Contract(s) for 1992-93 Fiscal Year -

Action: Continued.

f. Discussion of Policy on Retirees Not Eligible for Health Service System -

Action: Continued.

g. Consideration of Contract for Laboratory Services with Meris Labs -

Action: Continued.

h. Election of Officers for 1992-93 Fiscal Year -

Action: Continued.

9. Executive Director's Report/Communications - None.

10. Announcements/Other Public Comment -

11. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - JUNE 9, 1992 - 3:30 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 3:40 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Foster
   Commissioner Krueger
   Commissioner Paretchan

   Absent: Commissioner Gonzalez
   Commissioner Loos

4. SPECIAL ORDER OF BUSINESS - CLOSED SESSION -

   Pursuant to Government Code Sections 54956.9(B)(1), 54957 and 54957.6, President Zvanski ordered the Board into closed session to discuss meet and confer negotiations with the City's Employee Relations Director.

   The closed session, ended at 4:35 P.M. at which time, President Zvanski resumed the meeting and announced that no actions were taken by the Board.

5. MINUTES OF THE REGULAR MEETING OF MAY 12, 1992 SUBMITTED FOR APPROVAL -

   Commissioner Deignan made a motion, which was seconded, to adopt the minutes of the Regular Meeting of May 12, 1992. The motion was adopted 5-0 vote.

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON

   Mr. Tito Rael, Rael & Letson, reported the City Plan I experience through May (Exhibit 'A') reflecting a loss ratio of 87% for the month (106% year to date) on medical benefits, 120% on prescription drugs (112% year to date), 96% on vision benefits (102% year to date) and an overall loss ratio of 92% (107% year to date). The overall loss ratio dropped from 108% to 107%.

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON (cont'd.)

Mr. Rael again indicated that it would be beneficial to have a quarterly balance sheet and perhaps Peat Marwick could assist.

Mr. Rael explained that drug costs are escalating because of a 14% increase in ingredient costs and higher costs for new brand name drugs.

After discussion, the report was ordered filed.

7. OLD BUSINESS -

President Zvanski announced that a Special Meeting will be held on June 17, 1992 at 2:30 P.M. to take up a number of issues including the dental benefit which is being discussed with Employee Relations.

President Zvanski recognized Mr. Rael, who reminded the Board that they had submitted a letter on April 29th regarding the freestanding detox facilities. President Zvanski requested that this item also be placed on the June 17th agenda.

8. NEW BUSINESS -

a. Consideration of Resolution to Utilize Forfeited Amounts from the 1990-91 Dependent Care Assistance Program to Offset Administrative Expenses to Plan Participants for the 1992-93 Plan Year -

A resolution was presented to the Board (Exhibit 'B') to provide that the administrative expenses of the Dependent Care Program be covered for the 1992-93 fiscal year by forfeited funds from the 1990-91 plan year.

After discussion, Commissioner Deignan made a motion, which was seconded, to adopt the resolution. The motion passed 5-0 vote.

b. Open Enrollment Activity Report -

Mr. Smith reported the interim open enrollment statistics (Exhibit 'C').

c. Discussion of Qual-Med Policy for Managed Care of HIV Patients -

Cynthia Calhoun, Senior Account Executive, Qual-Med, reported on status of Qual-Med Bridgeway acquisition.

Dr. Padilla made a presentation on the Qual-Med Center of Excellence Program and its current status. Major points made included the fact that Qual-Med is not shuting off access to the primary care physician and that the PCP participates in the process. No sites have yet to be selected in the East Bay or West Bay (Exhibit 'D'). (Information item only)

NOTE: Commissioner Deignan left during discussion of this item.

President Zvanski, without objection, ordered items 8d, 8e, 8f, 8g, & 8h continued to the June 17th meeting.

9. EXECUTIVE DIRECTOR'S REPORT - None

10. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

President Zvanski recognized Mr. Gene Stausch, Colonial Life, who announced he was leaving this account with Colonial.

11. ADJOURNMENT -

Commissioner Paretchan made a motion, which was seconded, to adjourn the meeting. There being no further business, President Zvanski adjourned the meeting at 5:43 P.M.

Randall B. Smith
Executive Director

## REPORT BY ACTUARY ON CASH BASIS FOR THE JUNE 9, 1992 MEETING OF THE HEALTH SERVICE BOARD

### PLAN I

Experience for the period July 1, 1991 through May 31, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $12,493,664 | $11,992,110 | 95% | 96% |
| Retired Employees (NM) | 4,702,539 | 5,920,777 | 74 | 126 |
| Retired Employees (M) | 3,520,823 | 3,034,337 | 65 | 86 |
| Adult Dependents (NM) | 5,291,199 | 6,325,985 | 96 | 120 |
| Adult Dependents (M) | 476,971 | 689,588 | 163 | 145 |
| Minor Dependents | 3,089,909* | 3,488,110 | 81 | 113 |
| TOTAL | $29,575,105 | $31,450,907 | 87% | 106% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,855,077 | $ 2,267,937 | 150% | 122% |
| Retired Employees (NM) | 749,822 | 809,118 | 109 | 108 |
| Retired Employees (M) | 2,633,883 | 2,778,886 | 106 | 106 |
| TOTAL | $ 5,238,782 | $ 5,855,941 | 120% | 112% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 478,634 | $ 476,239 | 99% | 99% |
| Retired Employees (NM) | 119,702 | 117,706 | 91 | 98 |
| Retired Employees (M) | 276,401 | 296,326 | 93 | 107 |
| TOTAL | $ 874,737 | $ 890,271 | 96% | 102% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $14,827,375 | $14,736,286 | 102% | 99% |
| Retired Employees (NM) | 5,572,063 | 6,847,601 | 79 | 123 |
| Retired Employees (M) | 6,431,107 | 6,109,549 | 83 | 95 |
| Adult Dependents (NM) | 5,291,199 | 6,325,985 | 96 | 120 |
| Adult Dependents (M) | 476,971 | 689,588 | 163 | 145 |
| Minor Dependents | 3,089,909* | 3,488,110 | 81 | 113 |
| TOTAL | $35,688,624 | $38,197,119 | 92% | 107% |

*Includes subsidy of $407,000 from Adult Dependent (NM) category and $643,500 from interest.

**HEALTH SERVICE SYSTEM**
**SPECIAL MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE RETIREMENT BOARD MEETING ROOM**
**1155 MARKET STREET, SECOND FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**WEDNESDAY, JUNE 17, 1992, - 2:30 P.M.**

**A G E N D A**

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1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. Old Business -

   a. Consideration of Actuarial and Health Care Consulting Service Contract for 1992-93 Fiscal Year - (continued from 6/9/92)

      Action:

   b. Consideration of Managed Care Contract(s) for 1992-93 Fiscal Year - (continued from 6/9/92)

      Action:

   c. Discussion of Policy on Retirees Not Eligible for Health Service System - (continued from 6/9/92)

      Action:

   d. Consideration of Contract for Laboratory Services with Meris Labs - (continued from 6/9/92)

      Action:

   e. Election of Officers for 1992-93 Fiscal Year - (continued from 6/9/92)

      Action:

5. New Business -

   a. Consideration of Amending the Rates and Benefits on the Contributory Dental Plans for 1992-93.

      Action:

   b. Consideration of Resolution to Provide for a Supplemental Open Enrollment Period.

      Action:

   c. Consideration of Preferred Provider Detox Contracts.

      Action:

   d. Consideration of Accupuncture Coverage under the Preferred Provider Program.

      Action:

6. Announcements/Other Public Comment -

7. Adjournment -

HEALTH SERVICE BOARD

June 17, 1992

The Minutes of this meeting are missing.

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Agenda

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY, JULY 14, 1992 - 4:00 P.M.

**THE REGULAR HEALTH SERVICE BOARD MEETING SCHEDULED FOR JULY 14TH HAS BEEN RESCHEDULED TO MONDAY, JULY 20TH AT 1:30 IN THE AFTERNOON.**

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# HEALTH SERVICE SYSTEM
# RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
# OF THE CITY AND COUNTY OF SAN FRANCISCO
# HELD IN THE BOARD MEETING ROOM
# 1155 MARKET STREET, FOURTH FLOOR
# SAN FRANCISCO, CALIFORNIA

## MONDAY, JULY 20, 1992 - 1:30 P.M.

## AGENDA

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JUL 17 1992
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PUBLIC LIBRARY

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

4. Minutes of Regular Meeting of June 9, 1992 and Special Meeting of June 17, 1992, submitted for approval -

   Action:

5. Special Order of Business - 1:30 P.M.

   Consideration of Preferred Provider Detox Contracts - (continued from 6/17/92)

   a. Duffy's -

      Action:

   b. Marin Grove -

      Action:

   c. New Vistas -

      Action:

   d. Sausalito Professional Clinic -

      Action:

6. Appeals to Health Service Board -

   a. Appeal for Reinstatement of Health Coverage

      HSS No. 40816

      Action:

7. Old Business -

   a. Consideration of Resolution to Provide for a Supplemental Open Enrollment Period (continued from 6/17/92) -

      Action:

   b. Consideration of Amending the Rates and Benefits on the Contributory Dental Plans for 1992-93 (continued from 6/17/92) -

      Action:

   c. Discussion of Qual-Med Policy for Managed Care of HIV Patients (continued from 6/9/92) -

      Action:

   d. Consideration of Managed Care Contract(s) for 1992-93 Fiscal Year (continued from 6/17/92) -

      Action:

   e. Final Open Enrollment Activity Report (continued from 6/9/92) -

      Action:

   f. Hospital Contracts 1992-93 Fiscal Year

      1. Marin General Hospital (continued from 5/12/92)

      Action:

   g. Consideration of Acupuncture Coverage under the Preferred Provider Program (continued from 6/17/92) -

      Action:

8. New Business -

   a. Amendment of Rules and Regulation Part II Membership Section A5a.

      Action:

   b. Consideration of Amending Part I - General Section A-1 to Amend the Time at which Regular Health Service Board Meetings Commence -

      Action:

   c. Establishment of Policy on COBRA-Dental Coverage for Employees Separated from Employment.

      Action:

   d. Consideration of Fee Request by Physicians Affiliated with Washington Hospital.

      Action:

9. Actuarial Consultant's Report - Rael & Letson

   Action:

10. Supplemental Agenda -
11. Executive Director's Report/Communications -
12. Announcements/Other Public Comment -
13. Adjournment -

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**HEALTH SERVICE SYSTEM**
**RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**MONDAY, JULY 20, 1992 - 1:30 P.M.**

# AGENDA

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Gonzalez

4. Minutes of Regular Meeting of June 9, 1992 and Special Meeting of June 17, 1992, submitted for approval -

   Action: Approved (5-0)

5. Special Order of Business - 1:30 P.M.

   Consideration of Preferred Provider Detox Contracts - (continued from 6/17/92)

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   a. Duffy's -

      Action: Approved Intent to Contract (5-0)

   b. Marin Grove -

      Action: Approved Intent to Contract (5-0)

   c. New Vistas -

      Action: Approved Intent to Contract (5-0)

   d. Sausalito Professional Clinic -

      Action: Continued

6. Appeals to Health Service Board -

   a. Appeal for Reinstatement of Health Coverage

      HSS No. 40816

      Action: Denied (5-0)

7. Old Business -

   a. Consideration of Resolution to Provide for a Supplemental Open Enrollment Period (continued from 6/17/92) -

      Action: Approved (5-1)

   b. Consideration of Amending the Rates and Benefits on the Contributory Dental Plans for 1992-93 (continued from 6/17/92) -

      Action: Tabled (5-0)

   c. Discussion of Qual-Med Policy for Managed Care of HIV Patients (continued from 6/9/92) -

      Action: Information Item only

   d. Consideration of Managed Care Contract(s) for 1992-93 Fiscal Year (continued from 6/17/92) -

      Action: Approved Contract with HCE/JSF Associates (5-0)

   e. Final Open Enrollment Activity Report (continued from 6/9/92) -

      Action: Information Item only

   f. Hospital Contracts 1992-93 Fiscal Year

      1. Marin General Hospital (continued from 5/12/92)

      Action: Approved (6-0)

   g. Consideration of Acupuncture Coverage under the Preferred Provider Program (continued from 6/17/92) -

      Action: Denied (6-0)

8. New Business -

   a. Amendment of Rules and Regulation Part II Membership Section A5a.

      Action: Approved (6-0)

   b. Consideration of Amending Part I - General Section A-1 to Amend the Time at which Regular Health Service Board Meetings Commence -

      Action: Continued

   c. Establishment of Policy on COBRA-Dental Coverage for Employees Separated from Employment.

      Action: Approved (6-0)

   d. Consideration of Fee Request by Physicians Affiliated with Washington Hospital.

      Action: Approved (6-0)

9. Actuarial Consultant's Report - Rael & Letson

   Action: Report Filed

10. Supplemental Agenda -

11. Executive Director's Report/Communications -

12. Announcements/Other Public Comment -

13. Adjournment -

**HEALTH SERVICE SYSTEM**
**RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

MONDAY - JULY 20, 1992 - 1:30 P.M.

1. CALL TO ORDER - President Pro-Temp Deignan called the meeting to order at 1:40 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Foster
   Commissioner Krueger
   Commissioner Loos
   Commissioner Paretchan

   Absent: Commissioner Gonzalez

4. MINUTES OF THE REGULAR MEETING OF JUNE 9, 1992 AND SPECIAL MEETING OF JUNE 17, 1992 SUBMITTED FOR APPROVAL -

   Commissioner Foster made a motion, which was seconded, to adopt the minutes of the Regular Meeting of June 9, 1992 and the Special Meeting of June 17, 1992. The motion was adopted 5-0 vote.

5. SPECIAL ORDER OF BUSINESS - CONSIDERATION OF PREFERRED PROVIDER DETOX CONTRACTS -

   Commissioner Paretchan made a motion, which was seconded, to approve an intent to enter into a contract with Duffy's, Marin Grove and New Vistas.

   After discussion and a question and answer period, Commissioner Paretchan withdrew his motion.. Commissioner Foster then made a motion, which was seconded, to accept the individual detox programs of each provider and enter into a contract with Duffy's, Marin Grove and New Vistas. The motion was adopted 5-0 vote.

   President Pro-Temp Deignan requested Sausalito Professional Clinic return for a future meeting.

6. APPEALS TO HEALTH SERVICE BOARD -

   a. Appeal for Reinstatement of Health Coverage -

      HSS No. 40816

      Commissioner Paretchan presented an appeal for the month of June. After discussion, Commissioner Paretchan made a motion, which was seconded, to deny the appeal for reinstatement of health coverage. The motion was approved 5-0 vote.

7. OLD BUSINESS -

a. Consideration of Resolution to Provide for a Supplemental Open Enrollment Period - (This item was taken out of order after item 7d)

Mr. Smith and Mr. Bunch, Employee Relations Director explained the current status of issues on the employer dental plan (Exhibit 'A')

NOTE: President Zvanski arrived at the meeting at 3:00 P.M. during discussion of this item.

After extensive discussion and public comment, President Zvanski made a motion, which was seconded, that dental enrollment forms be sent through payroll to employees who didn't enroll in the dental plan. The motion failed 3-3 (Foster, Krueger, Paretchan).

After further discussion, Commissioner Loos made a motion, which was seconded, to allow a two-week enrollment period for employees who did not file an enrollment application, coverage to be retroactive to July 1st. The motion was adopted 6-0 vote.

President Zvanski made a motion, which was seconded, to allow employees who do not sign the wage freeze release waiver, to enroll in the contributory dental plan in which they originally enrolled. The motion was approved 6-0 vote.

b. Consideration of Amending the Rates and Benefits on the Contributory Dental Plans for 1992-93 -

Commissioner Loos made a motion, which was seconded, to table this item. The motion was adopted 5-0 vote.

c. Discussion of Qual-Med Policy for Managed Care of HIV Patients -

A letter was received from the Human Rights Commission asserting additional charges of discrimination against HIV patients.

Qual-Med was present to give the Board a further update on the Centers of Excellence Program. Dr. Padilla, Medical Director at Qual-Med reported that the health plan is still in an investigational mode at this time with the plan looking at proposals. A letter to the Board from Dr. William Popik, Vice President, Medical Affairs, assured the Board that HIV patients will continue to be free to use their primary care physician for as much of their care as they would like.

After further discussion and a question and answer period, it was the consensus of the Board to take no action at this time. (Information Item only).

7. OLD BUSINESS - (cont'd.)

d. Consideration of Managed Care Contract(s) for 1992-93 Fiscal Year -

Mr. Smith indicated that nine proposals were submitted of which seven were proposals on all programs and two were submitted on the hospital bill audit program only. After initial evaluations, six firms were invited for oral interviews. Five firms were subsequently interviewed.

Mr. Smith presented the recommendation of the panel formed to evaluate and rate proposals for managed care programs for the 1992-93 fiscal year (Exhibit 'B'). There were no certified MBE/WBE/LBE firms.

Although HCE was the top rated firm in all categories and provided the lowest financial proposal in the largest expenditure program of hospital utilization review, their proposal was still considerably in excess of the current rate charged and in excess of the 1992-93 budget.

Other major issues for consideration are whether to continue a split utilization review program with HCE and PHN or consolidate under one entity as well as implementation of an outpatient review program to displace the second opinion program.

After discussion, Commissioner Loos made a motion, which was seconded, to award the managed care contract for all programs to Health Care Evaluation, Inc. (the hospital bill contract is subcontracted to JSF Associates) effective October 1, 1992. The motion was adopted 5-0 vote.

e. Final Open Enrollment Activity Report -

Mr. Smith presented the final report on the open enrollment period (Exhibit 'C'). Information item only.

Mr. Smith thanked the health and dental plans for their support during open enrollment and the provision of temporary help to assist in the process.

He also indicated thanks to Qual-Med for coordinating the open enrollment departmental meetings. All plans feel that the process went well this year and they expressed the desire that it continue next year.

Commissioner Paretchan informed the Board that approximately 100 late applications were submitted after July 1st. Late applications were accepted up to July 1st. It was the consensus of the Board to sustain the normal procedure of rejecting the applications if there are no extenuating circumstances and allow the normal appeal process to prevail. (Information item only).

f. Hospital Contracts 1992-93 Fiscal Year -

1. Marin General Hospital -

Mr. Smith recommended that the Board approve the second rate proposal of Marin General Hospital for the 1992-93 fiscal year (Exhibit 'D').

Commissioner Paretchan made a motion, which was seconded, to approve the second rate proposal of Marin General Hospital for the 1992-93 fiscal year. The motion was adopted 6-0 vote.

7. OLD BUSINESS - (cont'd.)

g. Consideration of Acupuncture Coverage under the Preferred Provider Program -

Commissioner Krueger made a motion, which was seconded, to sustain the Board's previous action that acupuncture coverage is not a covered benefit under the City Health Plan. The motion was passed 6-0 vote.

8. NEW BUSINESS -

a. Amendment of Rules and Regulation Part II Membership Section A5a.

Commissioner Foster made a motion, which was seconded, to approve the amendment to Section IIA-5-a as presented (Exhibit 'E'). The motion passed 6-0 vote.

b. Consideration of Amending Part I - General Section A-1 to amend the Time at which Regular Health Service Board Meetings Commence -

After discussion of changing time and date of regular meetings, Commissioner Paretchan made a motion, which was seconded, to propose that the regular monthly meetings of the Board be set on the second Tuesday of each month at 10:00 A.M. The motion passed 6-0. The rule amendment will be calendared on the August agenda.

c. Establishment of Policy on COBRA-Dental Coverage for Employees Separated from Employment -

Mr. Smith presented a policy proposal (Exhibit 'F') to provide for continuation of dental coverage for employees who retire after July 1, 1992.

Commissioner Deignan made a motion, which was seconded, to approve staff's recommendation on the dental continuation policy. The motion was adopted 6-0 vote.

d. Consideration of Fee Request by Physicians Affiliated with Washington Hospital -

Mr. Smith explained the preferred provider physician problem in the Fremont area with those physicians affiliated with Washington Hospital.

After discussion, Commissioner Deignan made a motion, which was seconded, to approve the proposed fee schedule for Washington Hospital affiliated physicians. The motion was adopted 6-0 vote.

9. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON -

Mr. Tito Rael, Rael & Letson, reported the City Plan I experience through June (Exhibit 'G') reflecting a loss ratio of 113% for the month (107% year to date) on medical benefits 118% on prescription drugs (112% year to date), 124% on vision benefits (104% year to date) and an overall loss ration of 114 (108% year to date).

Mr. Rael also presented and discussed the Comparison of Monthly Claim Cost (Exhibit 'H').

9. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON - (cont'd.)

Mr. Rael also indicated that the Plan will be losing a substantial number of lives (over 700) on July 1st. This will negatively impact the contribution side while claim expenditures for the first few months of the new year will reflect claims incurred prior to July 1st.

After discussion, Commissioner Deignan made a motion which was seconded, to accept the report. The motion passed 5-0 vote.

Note: Commissioner Loos left the meeting during discussion of this item.

10. SUPPLEMENTAL AGENDA - None

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following items:

a. The Director, Actuary and Commissioner Deignan have met with an organization called Execufit and continue to pursue the feasibility of a City wellness program.

b. The outstanding claim count has increased again to 11,446 versus 9,791 in May.

c. The auto attendant telephone system is experiencing technical problems which are being worked on by Pac Bell, AT&T, and City personnel. This problem along with a voluminous number of calls have created a lot of complaint calls and letters.

d. Civil Service, Retirement System and Health Service are planning a centralized processing center for new and promotive employees here at 1155 Market Street.

e. The Board of Supervisors approved our interim budget including three positions to support the dental program. Supervisor Gonzalez, President Zvanski and Jean Mariani of the Mayor's office were very helpful and supportive to the department in the process.

12. ANNOUNCEMENTS/OTHER PUBLIC COMMENT - None

13. ADJOURNMENT -

Commissioner Paretchan made a motion, which was seconded, to adjourn the meeting. There being no further business, President Zvanski adjourned the meeting at 4:44 P.M.

Randall B. Smith
Executive Director

**REPORT BY ACTUARY ON CASH BASIS FOR THE JULY 20, 1992 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1991 through June 30, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $13,464,864 | $13,205,885 | 125% | 98% |
| Retired Employees (NM) | 5,193,649 | 6,421,243 | 102 | 124 |
| Retired Employees (M) | 3,836,043 | 3,282,186 | 79 | 86 |
| Adult Dependents (NM) | 5,726,850 | 6,930,306 | 139 | 121 |
| Adult Dependents (M) | 520,575 | 730,410 | 94 | 140 |
| Minor Dependents | 3,353,773* | 3,730,705 | 92 | 111 |
| TOTAL | $32,095,754 | $34,300,735 | 113% | 107% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,999,896 | $ 2,479,062 | 146% | 124% |
| Retired Employees (NM) | 826,241 | 889,228 | 105 | 108 |
| Retired Employees (M) | 2,871,073 | 3,029,109 | 105 | 106 |
| TOTAL | $ 5,697,210 | $ 6,397,399 | 118% | 112% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 516,078 | $ 518,814 | 114% | 101% |
| Retired Employees (NM) | 131,843 | 132,112 | 119 | 100 |
| Retired Employees (M) | 301,322 | 331,665 | 142 | 110 |
| TOTAL | $ 949,243 | $ 982,591 | 124% | 104% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $15,980,838 | $16,203,761 | 127% | 101% |
| Retired Employees (NM) | 6,151,733 | 7,442,583 | 103 | 121 |
| Retired Employees (M) | 7,008,438 | 6,642,960 | 92 | 95 |
| Adult Dependents (NM) | 5,726,850 | 6,930,306 | 139 | 121 |
| Adult Dependents (M) | 520,575 | 730,410 | 94 | 140 |
| Minor Dependents | 3,353,773* | 3,730,705 | 92 | 111 |
| TOTAL | $38,742,207 | $41,680,725 | 114% | 108% |

*Includes subsidy of $444,000 from Adult Dependent (NM) category and $702,000 from interest.

CITY AND COUNTY OF SAN FRANCISCO HEALTH SERVICE SYSTEM

COMPARISON OF MONTHLY CLAIM COSTS FOR ALL COVERAGES

PLAN I

| | Year Ended 6/30/88 | Year Ended 6/30/89 | Percentage Increase | Year Ended 6/30/90 | Percentage Increase | Year Ended 6/30/91 | Percentage Increase | Year Ended 6/30/92 | Percentage Increase |
|---|---|---|---|---|---|---|---|---|---|
| Active | $131.69 | $144.85 | 10.0% | $155.39 | 7.3% | $186.58 | 20.1% | $198.60 | 6.4% |
| Retired (NM) | 219.13 | 206.80 | (5.6) | 231.57 | 12.0 | 300.14 | 29.6 | 349.38 | 16.4 |
| Retired (M) | 77.16 | 71.63 | (7.2) | 70.83 | (1.1) | 91.75 | 29.5 | 100.80 | 9.9 |
| Adult Dep. (NM) | 87.01 | 100.31 | 15.3 | 102.16 | 1.8 | 124.31 | 21.7 | 144.81 | 16.5 |
| Adult Dep. (M) | 40.60 | 35.14 | (13.4) | 25.68 | (24.8) | 38.11 | 48.4 | 46.95 | 23.2 |
| Minor Dep. | 103.31 | 116.08 | 12.4 | 116.36 | 0.2 | 143.78 | 23.6 | 176.40 | 22.7 |
| Monthly Avg. of Total Claims | $2,646,221 | $2,595,794 | | $2,635,141 | | $3,225,118 | | $3,473,394 | |
| Monthly Avg. of Total Lives | 23,762 | 22,410 | | 21,878 | | 21,794 | | 21,113 | |
| Monthly Avg. Composite Claim Cost | $111.36 | $115.83 | 4.0% | $120.45 | 4.0% | $147.98 | 22.9% | $164.51 | 11.2% |

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

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**TUESDAY, AUGUST 11, 1992 - 4:00 P.M.**

# A G E N D A

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan
4. Minutes of Regular Meeting of July 20, 1992, submitted for approval -

   Action:
5. Appeals to Health Service Board -

   a. Appeal to Change Health Plan Coverage

      HSS No. 21071

      Action:

      HSS No. 08299

      Action:

      HSS No. 94590

      Action:

      HSS No. 10287

      Action:
6. Actuarial Consultant's Report - Rael & Letson

   Action:

7. Old Business -

   a. Consideration of Amending Part I-General Section A-1 to Amend the time to 10:00 A.M. at which Regular Health Service Board Meetings Commence.

      Action:

8. New Business -

   a. Amendment of Rules of Coverage - City Health Plan to conform to Benefit Changes Enacted by the Health Service Board for the 1992-93 Fiscal Year.

      Action:

9. Executive Director's Report/Communications - None

10. Announcements/Other Public Comment -

11. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, AUGUST 11, 1992 - 4:00 P.M.**

Minutes **A G E N D A**

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Foster (Excused)

4. Minutes of Regular Meeting of July 20, 1992, submitted for approval -

   Action: Approved (5-0 vote)

5. Appeals to Health Service Board -

   a. Appeal to Change Health Plan Coverage

      HSS No. 21071

      Action: Denied (5-0 vote)

      HSS No. 08299

      Action: Denied (5-0 vote)

      HSS No. 94590

      Action: Denied (5-0 vote)

      HSS No. 10287

      Action: Denied (5-0 vote)

6. Actuarial Consultant's Report - Rael & Letson

   Action: Report accepted and filed (6-0 vote).

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7. Old Business -

   a. Consideration of Amending Part I-General Section A-1 to Amend the time to 10:00 A.M. at which Regular Health Service Board Meetings Commence.

      Action: Item Tabled (6-0 vote)

8. New Business -

   a. Amendment of Rules of Coverage - City Health Plan to conform to Benefit Changes Enacted by the Health Service Board for the 1992-93 Fiscal Year.

      Action: Approved Benefit Disincentive for OSR Program (5-0 vote).
      Approved Amendment to Rules (5-0 vote)

9. Executive Director's Report/Communications -

10. Announcements/Other Public Comment -

11. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - AUGUST 11, 1992 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:02 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Gonzalez
   Commissioner Krueger
   Commissioner Loos
   Commissioner Paretchan

   Absent: Commissioner Foster (Excused)

4. MINUTES OF THE REGULAR MEETING OF JULY 20, 1992, SUBMITTED FOR APPROVAL -

   Commissioner Paretchan made a motion, which was seconded, to adopt the minutes of the Regular Meeting of July 20, 1992. The motion was adopted 5-0 vote.

5. APPEALS TO HEALTH SERVICE BOARD -

   Commissioner Paretchan presented the appeals for the month of July. After discussion of each of the appeals, the following actions on appeals were taken:

   a. Appeal to Change Health Plan Coverage -

      HSS No. 21071

      Commissioner Loos made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

      HSS No. 08299

      Commissioner Deignan made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

      HSS No. 94590

      Commissioner Deignan made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

      HSS No. 10287

      Commissioner Loos made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON -

Mr. Tito Rael, Rael & Letson, reported the City Plan I experience for the month of July (Exhibit 'A') reflecting a loss ratio of 93% for the month on medical benefits, 156% on prescription drugs, 98% on vision benefits and an overall loss ratio of 100%.

Mr. Rael noted that the July experience reflects an extra biweekly pay period on the contribution side and an extra biweekly billing on the prescription drug expenditure side.

Mr. Rael also indicated that the Plan will probably reflect adverse experience in July, August and September because of prior year claim incurrals being paid and a substantial decrease on the contribution side because of lost lives.

After discussion, Commissioner Deignan made a motion, which was seconded, to accept the report. The motion passed 6-0 vote.

Note: Commissioner Gonzalez arrived at the meeting during discussion of this item.

7. OLD BUSINESS -

a. Consideration of Amending Part I-General Section A-1 to Amend the time to 10:00 A.M. at which Regular Health Service Board Meetings Commence -

After discussion of the proposal to change the time of the monthly meeting, it was moved by Commissioner Loos, and seconded, to table consideration of this item at this time. The motion was adopted 6-0 vote.

8. NEW BUSINESS -

a. Amendment of Rules of Coverage - City Health Plan to conform to Benefit Changes Enacted by the Health Service Board for the 1992-93 Fiscal Year -

The amendments to the Rules of Coverage of the City Health Plan reflecting those benefit changes made for the 1992-93 fiscal year were presented to the Board for adoption (Exhibit 'B').

In addition, a rule proposal was presented to provide a benefit disincentive for the Outpatient Services Review Program to be implemented October 1st.

After discussion, Commissioner Paretchan made a motion, which was seconded, to approve the recommendation of a twenty-five percent (25%) benefit reduction when prior authorization is not obtained. The motion was adopted (5-0 vote).

After further discussion, Commissioner Deignan made a motion, which was seconded, to approve the Rules of Coverage as presented. The motion was adopted (5-0 vote).

Note: Commissioner Loos left the meeting during discussion of this item.

9. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following items:

a. The outstanding claim count has increased again to 13,428 versus 11,446 in June.

b. The supplemental dental open enrollment materials were mailed out through departments today to 3,750 employees who did not respond to the initial open enrollment. They have a two-week window period to respond. In addition, approximately 137 employees did not sign the wage release waiver form sent out by the City Attorney. Those employees will now be given a two-week window period to sign up for the contributory plan they had selected.

c. The City Plan benefit booklet and PPO Directory are expected to be sent out in September.

d. The request for the City Attorney's opinion on Charter Section 8.428 has been sent to the City Attorney's office.

10. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

President Zvanski recognized Ms. Claudio Greer, who works for PUC. Ms. Greer registered her concern on the Kaiser benefit cutbacks resulting in increased copayments. Individual members of the Board provided their reasons for the decision on the benefit reduction.

Note: Commissioner Krueger left the meeting during discussion of this item.

11. ADJOURNMENT -

There being no further business, President Zvanski adjourned the meeting at 5:19 P.M.

Randall B. Smith
Executive Director

**REPORT BY ACTUARY ON CASH BASIS FOR THE AUGUST 11, 1992 MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1992 through July 31, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 1,789,268 | $ 1,343,208 | 75% | 75% |
| Retired Employees (NM) | 850,727 | 892,716 | 105 | 105 |
| Retired Employees (M) | 365,647 | 286,189 | 78 | 78 |
| Adult Dependents (NM) | 391,253 | 642,332 | 164 | 164 |
| Adult Dependents (M) | 89,587 | 56,586 | 63 | 63 |
| Minor Dependents | 290,893 | 287,418 | 99 | 99 |
| TOTAL | $ 3,777,375 | $ 3,508,449 | 93% | 93% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 187,856 | $ 313,159 | 167% | 167% |
| Retired Employees (NM) | 85,360 | 115,541 | 135 | 135 |
| Retired Employees (M) | 233,346 | 363,010 | 156 | 156 |
| TOTAL | $ 506,562 | $ 791,710 | 156% | 156% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 48,508 | $ 39,092 | 81% | 81% |
| Retired Employees (NM) | 12,579 | 17,529 | 139 | 139 |
| Retired Employees (M) | 23,698 | 26,813 | 113 | 113 |
| TOTAL | $ 84,785 | $ 83,434 | 98% | 98% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 2,025,632 | $ 1,695,459 | 84% | 84% |
| Retired Employees (NM) | 948,666 | 1,025,786 | 108 | 108 |
| Retired Employees (M) | 622,691 | 676,012 | 109 | 109 |
| Adult Dependents (NM) | 391,253 | 642,332 | 164 | 164 |
| Adult Dependents (M) | 89,587 | 56,586 | 63 | 63 |
| Minor Dependents | 290,893 | 287,418 | 99 | 99 |
| TOTAL | $ 4,368,722 | $ 4,383,593 | 100% | 100% |

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H25
#2
9/8/92

SF

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, SEPTEMBER 8, 1992 - 4:00 P.M.**

# AGENDA

DOCUMENTS DEPT.
SEP 2 1992
SAN FRANCISCO

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Gonzalez, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan
4. Minutes of Regular Meeting of August 11, 1992, submitted for approval -

   Action:
5. Appeals to Health Service Board -

   a. Appeal to Change Health/Dental Plan Coverage

      HSS No. 54788

      Action:

      HSS No. 64313

      Action:

      HSS No. 22534

      Action:
6. Actuarial Consultant's Report - Rael & Letson -

   Action:
7. Old Business -
8. New Business -

   a. Approval of Participation of Additional PHN Network Hospitals and Physicians to the Preferred Provider Program -

      1. Children's Hospital-Oakland

      Action:

2. El Camino Hospital-Mountain View

Action:

3. St. Rose Hospital-Hayward

Action:

4. Sonoma Valley Hospital-Sonoma

Action:

5. Sutter Solano Hospital-Vallejo

Action:

b. Consideration of Colonial Life Request for Post-Tax Disability Insurance Alternative -

Action:

c. Policy on the Addition of Dependents to Surviving Spouse Coverage -

Action:

9. Executive Director's Report/Communications -

10. Announcements/Other Public Comment -

11. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

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**TUESDAY, SEPTEMBER 8, 1992 - 4:00 P.M.**

**AGENDA**

Minutes

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Foster, Excused; Commissioner Gonzalez, Excused

4. Minutes of Regular Meeting of August 11, 1992, submitted for approval -

   Action: Approved (5-0 vote).

5. Appeals to Health Service Board -

   a. Appeal to Change Health/Dental Plan Coverage

      HSS No. 54788

      Action: Continued

      HSS No. 64313

      Action: Denied (5-0 vote).

6. Actuarial Consultant's Report - Rael & Letson -

   Action: Report Accepted (5-0 vote).

7. Old Business - None
8. New Business -

   a. Approval of Participation of Additional PHN Network Hospitals and Physicians to the Preferred Provider Program -

      Action: Approval to Contract with PHN Facilities and Physicians (5-0 vote).

b. Consideration of Colonial Life Request for Post-Tax Disability Insurance Alternative -

Action: Approve (5-0 vote).

c. Policy on the Addition of Dependents to Surviving Spouse Coverage -

Action: Continued

9. Executive Director's Report/Communications -
10. Supplemental Agenda - None
11. Announcements/Other Public Comment -
12. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - SEPTEMBER 8, 1992 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:06 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Krueger
   Commissioner Loos
   Commissioner Paretchan

   Absent: Commissioner Foster (Excused)
   Commissioner Gonzalez (Excused)

4. MINUTES OF THE REGULAR MEETING OF AUGUST 11, 1992, SUBMITTED FOR APPROVAL -

   Commissioner Deignan made a motion, which was seconded, to adopt the minutes of the Regular Meeting of August 11, 1992. The motion was adopted 5-0 vote.

5. APPEALS TO HEALTH SERVICE BOARD -

   Commissioner Paretchan presented the appeals report for August (Exhibit 'A') and appeals to the Board for the month of August. After discussion of each of the appeals to the Board, the following actions on appeals were taken:

   a. Appeal to Change Health/Dental Plan Coverage -

      HSS No. 54788

      This appeal was continued to the October meeting.

      HSS No. 64313

      Commissioner Paretchan made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

   A discussion followed on the number of appeals still coming in from the open enrollment and the second dental enrollment.. Commissioner Loos made a motion, which was seconded, that medical open enrollment appeals be automatically rejected after August 15th and dental open enrollment appeals after October 1st be automatically rejected by staff. The motion was adopted 5-0 vote. It is understood that members have the right to appeal to the Board.

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON -

Mr. Tito Rael, Rael & Letson, reported the City Plan I experience through August.

Note: A revised experience report (Exhibit 'B') was issued subsequent to the Board meeting reflecting a loss ratio of 90% for the month (93% year to date) on medical benefits, 94% on prescription drugs (109% year to date), 91% on vision benefits (99% year to date) and an overall loss ratio of 91% (96% year to date).

After discussion, Commissioner Deignan made a motion, which was seconded, to accept the report. The motion passed 6-0 vote.

Note: Commissioner Gonzalez arrived at the meeting during discussion of this item.

7. OLD BUSINESS - None

8. NEW BUSINESS -

a. Approval of Participation of Additional PHN Network Hospitals and Physicians to the Preferred Provider Program (Exhibit 'C') -

Mr. Smith related to the Board the fact that a number of hospitals in the Bay Area contract with PHN but not with the Health Service System. A number of members over the years have inquired as to why the System can't contract with hospitals and physicians located closer to their residences.

Mr. Smith requested that the Board authorize staff to contract through Preferred Health Network with those hospitals and physicians who would provide the System a financial benefit while expanding the service area to our membership.

Commissioner Deignan made a motion, which was seconded, to approve staff's recommendation. The motion was approved 5-0 vote.

b. Consideration of Colonial Life Request for Post-Tax Disability Insurance alternative (Exhibit 'D') -

Mr. Smith presented the request of Colonial Life to allow them to offer the disability benefit on a post-tax basis in addition to the current pre-tax basis.

Commissioner Paretchan made a motion, which was seconded, to approve the request of Colonial to offer the disability benefit on either a post-tax or pre-tax basis. The motion was adopted 5-0 vote.

c. Policy on the Addition of Dependents to Surviving Spouse Coverage (Exhibit 'E') -

After discussion, Commissioner Loos made a motion, which was seconded, to refer the matter to the Rules Committee. The motion was passed 5-0 vote.

After further discussion, Commissioner Paretchan made a motion, which was seconded, to withdraw the matter from the Rules Committee and continue the item to the next meeting. The motion passed 5-0 vote.

9. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following items:

a. The outstanding claim count has remained high at 13,283 versus 13,428 in July.

b. The second dental enrollment period is completed. There are now applications received from a total of 18,040 employees.

c. There have been many complaints about telephone access because of the restricted telephone hours and lack of staff to allocate more personnel to the telephone. This problem is difficult to solve without additional staffing. We are exploring the use of an 800 toll free number outside the 415 area code.

d. Santa Rosa Memorial hospital has asked for a rate increase and negotiations are continuing California Pacific Medical Center.

Note: Commissioner Krueger left the meeting during presentation of this item.

10. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

President Zvanski recognized Mr. Kruger of Local 798 and Ms. Loris Roulette, retired employee of Local 21, who asked the status of the City Attorney's opinion on Charter Section 8.428c. Mr. Smith responded that no response has been received. The President asked that the Director inquire about the status of the request.

11. ADJOURNMENT -

There being no further business, President Zvanski adjourned the meeting at 5:30 P.M.

Randall B. Smith
Executive Director

# REPORT BY ACTUARY ON CASH BASIS FOR THE SEPTEMBER 8, 1992 MEETING OF THE HEALTH SERVICE BOARD

"REVISED"

## PLAN I

Experience for the period July 1, 1992 through August 31, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 2,559,881 | $ 2,483,785 | 104% | 97% |
| Retired Employees (NM) | 1,309,802 | 1,455,279 | 87 | 111 |
| Retired Employees (M) | 638,197 | 545,444 | 80 | 85 |
| Adult Dependents (NM) | 1,278,805 | 1,114,847 | 84 | 87 |
| Adult Dependents (M) | 151,827 | 103,860 | 61 | 68 |
| Minor Dependents | 736,857 | 533,733 | 76 | 72 |
| TOTAL | $ 6,675,369 | $ 6,236,948 | 90% | 93% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 449,760 | $ 522,980 | 110% | 116% |
| Retired Employees (NM) | 177,825 | 196,052 | 91 | 110 |
| Retired Employees (M) | 592,975 | 615,383 | 84 | 104 |
| TOTAL | $ 1,220,560 | $ 1,334,415 | 94% | 109% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 75,919 | $ 70,861 | 99% | 93% |
| Retired Employees (NM) | 21,026 | 29,165 | 112 | 139 |
| Retired Employees (M) | 49,112 | 44,914 | 73 | 91 |
| TOTAL | $ 146,057 | $ 144,940 | 91% | 99% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 3,085,560 | $ 3,077,626 | 105% | 100% |
| Retired Employees (NM) | 1,508,653 | 1,680,496 | 88 | 111 |
| Retired Employees (M) | 1,280,284 | 1,205,741 | 82 | 94 |
| Adult Dependents (NM) | 1,278,805 | 1,114,847 | 84 | 87 |
| Adult Dependents (M) | 151,827 | 103,860 | 61 | 68 |
| Minor Dependents | 736,857 | 533,733 | 76 | 72 |
| TOTAL | $ 8,041,986 | $ 7,716,303 | 91% | 96% |

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# HEALTH SERVICE SYSTEM
# REGULAR MEETING OF THE HEALTH SERVICE BOARD
# OF THE CITY AND COUNTY OF SAN FRANCISCO
# HELD IN THE BOARD MEETING ROOM
# 1155 MARKET STREET, FOURTH FLOOR
# SAN FRANCISCO, CALIFORNIA

## TUESDAY, OCTOBER 13, 1992 - 4:00 P.M.

## AGENDA

MINUTES

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Paretchan

   Absent: Commissioner Gonzalez, Excused; Commissioner Loos, Excused

4. Minutes of Regular Meeting of September 8, 1992, submitted for approval -

   Action: Approved (5-0 vote)

5. Appeals to Health Service Board -

   a. Appeal of Denials to Change Health/Dental Plan Coverage

   HSS No. 94537

   Action: Denied (5-0 vote).

   HSS No. 54788

   Action: Continued.

   HSS No. 14962

   Action: Denied (5-0 vote).

   HSS No. 13392

   Action: Denied (5-0 vote).

   HSS No. 75163

   Action: Denied (5-0 vote).

   HSS No. 90611

   Action: Denied (5-0 vote).

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5. Appeals to Health Service Board - (cont'd.)

   b. Appeals of Denial to Add Dependents to Health/Dental Plan Coverage -

      HSS No. 13231

      Action: Denied (5-0 vote).

6. Actuarial Consultant's Report - Rael & Letson

   Action: Report Accepted (5-0 vote).

7. Old Business -

   a. Proposed Rule Change Providing for the Addition of Dependents to Surviving Spouse Coverage - (continued from 9/8/92)

      Action: Continued.

8. New Business -

   a. Consideration of Physician Fee Increase Request of California Pacific Medical Associates, Inc.

      Board Action: Approved (5-0 vote).

   b. Consideration of Installation of (800) Toll Free Number Outside (415) Area Code -

      Board Action: Approved (5-0 vote).

   c. Authorization to Contract with Sutter Street Surgery Center

      Board Action: Approved (5-0 vote).

   d. Request by S.F. General Hospital for Preferred Provider Contract -

      Board Action: Information Item only.

9. Supplemental Agenda - None

10. Executive Director's Report/Communications -

11. Announcements/Other Public Comment -

12. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - OCTOBER 13, 1992 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Foster
   Commissioner Krueger
   Commissioner Paretchan

   Absent: Commissioner Gonzalez (Excused)
   Commissioner Loos (Excused)

4. MINUTES OF THE REGULAR MEETING OF SEPTEMBER 8, 1992, SUBMITTED FOR APPROVAL -

   Commissioner Paretchan made a motion, which was seconded, to adopt the minutes of the Regular Meeting of September 8, 1992. The motion was adopted 5-0 vote.

5. APPEALS TO HEALTH SERVICE BOARD -

   Commissioner Paretchan presented the appeals report for September (Exhibit 'A') and appeals to the Board for the month of September. After discussion of each of the appeals to the Board, the following actions on appeals were taken:

   a. Appeal of Denials to Change Health/Dental Plan Coverage -

      HSS No. 94537

      Commissioner Deignan made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

      HSS No. 54788

      This appeal was continued to the November meeting.

      HSS No. 14962

      Commissioner Deignan made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

      HSS No. 13392

      Commissioner Deignan made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

5. APPEALS TO HEALTH SERVICE BOARD - (cont'd.)

HSS No. 75163

Commissioner Deignan made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

HSS No. 90611

Commissioner Deignan made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

b. Appeals of Denial to Add Dependents to Health/Dental Plan Coverage -

HSS No. 13231

Commissioner Deignan made a motion, which was seconded, to deny the appeal. The motion was adopted 5-0 vote.

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON -

Mr. Tito Rael, Rael & Letson, reported the City Plan I experience through September (Exhibit 'B') reflecting a loss ratio of 103% for the month (96% year to date) on medical benefits, 91% on prescription drugs (104% year to date), 76% on vision benefits (92% year to date) and an overall loss ratio of 100% (97% year to date).

Mr. Rael indicated in response to a question that the loss ratio was at 115% last year to date compared to 97% this year. In response to a question on the effect of the claims backlog, he indicated that the experience will affect the experience report but the backlog has been factored into the reserve requirement on the balance sheet.

Mr. Rael also presented an Exhibit 'C' representing a Comparison of Monthly Cost for the 1st quarter compared to previous fiscal years. The first quarter composite cost was up about 15% but is expected to decrease as the year progresses because the number of lives covered has decreased while the majority of claims paid during the 1st quarter were for the prior period when a larger population existed. Mr. Rael felt that the System was in a good position so far this year.

After discussion, Commissioner Deignan made a motion, which was seconded, to accept the report. The motion passed 5-0 vote.

7. OLD BUSINESS -

a. Proposed Rule Change Providing for the Addition of Dependents to Surviving Spouse Coverage -

A proposed rule change providing for the addition of eligible dependents by a surviving spouse (Exhibit 'D') was presented.

After discussion of whether a new spouse who does not pre-decease a surviving spouse should be allowed to add dependents after death of the surviving spouse, the item was continued to draft appropriate rule language.

8. NEW BUSINESS -

a. Consideration of Physician Fee Increase Request of California Pacific Medical Associates, Inc. -

A rate request increase has been made by California Pacific Medical Associates, representing the largest physician group with which we contract. The pediatricians in the group have also indicated that the reimbursement for various vaccines is not covering the cost of the medication (Exhibit 'E').

After discussion of the staff and actuary recommendations, Commissioner Paretchan made a motion, which was seconded, to approve the fee schedule as shown in Exhibit 'E-1' and the immunization fee schedule Exhibit 'E' with the amendment of reimbursement for procedure code 90701 to $25.03, 90713 to $22.77, and 90779 to $30.80 effective with services on and after November 1, 1992. The motion was adopted on a 5-0 vote.

b. Consideration of Installation of (800) Toll Free Number Outside (415) Area Code -

Mr. Smith presented a proposed resolution (Exhibit 'F-1') authorizing a toll free number in the Medical Claims Division in an effort to alleviate member complaints regarding telephone access and cost.

After discussion, Commissioner Paretchan made a motion, which was seconded, to approve the Resolution authorizing implementation of a toll free telephone number. The motion was adopted 5-0 vote.

c. Authorization to Contract with Sutter Street Surgery Center -

Mr. Smith indicated that this free-standing ambulatory surgery center has approached the System with a contract offer (Exhibit 'G').

After discussion of the merits of the proposal, Commissioner Foster made a motion, which was seconded, to approve entering into a contract with the Sutter Street Surgery Center. The motion was adopted 5-0 vote.

d. Request by S.F. General Hospital for Preferred Provider Contract -

San Francisco General Hospital is again inquiring about a preferred provider hospital contract with the System.

It was the consensus of the Board to enter into discussion with the hospital (Information item only).

9. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following items:

a. The outstanding claim count has remained high at 16,997 versus 13,283 in August. This is approximately a 16 day backlog.

9. EXECUTIVE DIRECTOR'S REPORT - (cont'd.)

b. The survey of the ten most populous counties has been sent out and the contract renewal applications will be sent out this week.

c. Peat Marwick has completed their annual audit and should be issuing the financial statements shortly.

d. The City Plan benefit booklet is being mailed currently and the PPO directory will be sent in the near future.

e. Hospital contracts have been entered into with Sutter Solano in Vallejo and St. Rose Hospital in Hayward. Potential hospital contracts with Sequoia and Sonoma Valley are pending current negotiations with Mills Peninsula and Santa Rosa Memorial.

The Children's Oakland contract with PHN is not financially viable, however, the hospital may be willing to provide a better contract directly to us.

f. The System is currently working with Kaiser on a risk assessment program to measure the relative risk of the City Plan and Kaiser to each other and the other HMO's. It is possible that the results could be used for rate setting in future years.

g. The Transport Workers Union has approached us to contract with them for the provision of the Delta Dental Plan through us in order to obtain a lower administrative fee. As this issue is firmed up, the proposal will be brought before the Board.

Note: Commissioner Krueger left the meeting during presentation of this item.

10. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

President Zvanski recognized Mr. Kruger of Local 798 who inquired about the City Attorney's opinion letter. Mr. Smith indicated that it had not been received yet, however, a draft of the opinion has been generated but not approved for release by the City Attorney as yet.

11. ADJOURNMENT -

There being no further business, President Zvanski adjourned the meeting at 5:47 P.M.

Randall B. Smith
Executive Director

REPORT BY ACTUARY ON CASH BASIS FOR THE October 13, 1992 MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1992 through September 30, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 3,622,867 | $ 3,441,107 | 90% | 95% |
| Retired Employees (NM) | 1,943,666 | 2,074,873 | 98 | 107 |
| Retired Employees (M) | 963,559 | 840,387 | 91 | 87 |
| Adult Dependents (NM) | 1,840,350 | 1,729,985 | 110 | 94 |
| Adult Dependents (M) | 228,705 | 171,919 | 89 | 75 |
| Minor Dependents | 1,062,613 | 1,042,839 | 156 | 98 |
| TOTAL | $ 9,661,760 | $ 9,301,110 | 103% | 96% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 637,816 | $ 726,859 | 108% | 114% |
| Retired Employees (NM) | 263,778 | 271,702 | 88 | 103 |
| Retired Employees (M) | 894,488 | 861,670 | 82 | 96 |
| TOTAL | $ 1,796,082 | $ 1,860,231 | 91% | 104% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 107,241 | $ 98,401 | 88% | 92% |
| Retired Employees (NM) | 31,135 | 34,992 | 58 | 112 |
| Retired Employees (M) | 74,055 | 61,938 | 68 | 84 |
| TOTAL | $ 212,431 | $ 195,331 | 76% | 92% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 4,367,924 | $ 4,266,367 | 93% | 98% |
| Retired Employees (NM) | 2,238,579 | 2,381,567 | 96 | 106 |
| Retired Employees (M) | 1,932,102 | 1,763,995 | 86 | 91 |
| Adult Dependents (NM) | 1,840,350 | 1,729,985 | 110 | 94 |
| Adult Dependents (M) | 228,705 | 171,919 | 89 | 75 |
| Minor Dependents | 1,062,613 | 1,042,839 | 156 | 98 |
| TOTAL | $11,670,273 | $11,356,672 | 100% | 97% |

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

**TUESDAY, NOVEMBER 10, 1992 - 4:00 P.M.**

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**AGENDA**

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:

   President Zvanski
   Vice President Deignan
   Commissioner Foster
   Commissioner Gonzalez
   Commissioner Loos
   Commissioner Krueger
   Commissioner Paretchan

4. Minutes of Regular Meeting of October 13, 1992, submitted for approval -

   Action:

5. Appeals to Health Service Board -
6. Actuarial Consultant's Report - Rael & Letson

   Action:

7. Old Business -

   a. Proposed Rule Change Providing for the Addition of Dependents to Surviving Spouse Coverage - (continued from 10/13/92)

      Action:

8. New Business -

   a. Consideration of Rate Increase Request of Santa Rosa Memorial Hospital -

      Board Action:

   b. Consideration of PPO Contract with Children's Hospital Oakland -

      Board Action:

   c. Review of Financial Statement for 1991-92 Fiscal Year -

      Board Action:

9. Supplemental Agenda -

10. Executive Director's Report/Communications -

11. Announcements/Other Public Comment -

12. Adjournment -

**Disability Access**

The Health Service Board meeting room on the fourth floor is wheelchair accessible. Large print copies of the agenda can be made available; please contact Mila Palarca at (415) 554-1700 at least two business days in advance of need. In order to allow individuals with environmental illness to attend meetings, individuals are requested to refrain from wearing perfume or other scented products.

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# HEALTH SERVICE SYSTEM
## REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

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**TUESDAY, NOVEMBER 10, 1992 - 4:00 P.M.**

Minutes

**AGENDA**

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Krueger, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Foster, Excused; Commissioner Gonzalez, Excused

4. Minutes of Regular Meeting of October 13, 1992, submitted for approval -

   Action: Approved (5-0 vote)

5. Appeals to Health Service Board -

   a. Appeal of Denial Cancel Medical Coverage

      HSS No. 54788

      Action: Denied (5-0 vote).

   b. Appeal of Denial to Enroll into a Dental Plan and to Lift Exemption -

      HSS No. 28744

      Action: Denied (5-0 vote).

   c. Appeal of Denial to Cancel Employee Paid Dental

      HSS No. 28561

      Action: Denied (5-0 vote)

   d. Appeal of Denial to Enroll into a Dental Plan

      HSS No. 82361

      Action: Denied (5-0 vote)

6. Actuarial Consultant's Report - Rael & Letson

   Action: Report Filed

7. Old Business -

   a. Proposed Rule Change Providing for the Addition of Dependents to Surviving Spouse Coverage - (continued from 10/13/92)

      Action: Approved (5-0 vote)

8. New Business -

   a. Consideration of Rate Increase Request of Santa Rosa Memorial Hospital -

      Action: Continued.

   b. Consideration of PPO Contract with Children's Hospital Oakland -

      Action: Approve Entering into Contract as Proposed (5-0 vote).

   c. Review of Financial Statement for 1991-92 Fiscal Year -

      Action: Information Item Only.

9. Supplemental Agenda - None

10. Executive Director's Report/Communications -

11. Announcements/Other Public Comment -

12. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - NOVEMBER 10, 1992 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:03 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Krueger
   Commissioner Loos
   Commissioner Paretchan

   Absent: Commissioner Foster (Excused)
   Commissioner Gonzalez (Excused)

4. MINUTES OF THE REGULAR MEETING OF OCTOBER 13, 1992, SUBMITTED FOR APPROVAL -

   Commissioner Paretchan made a motion, which was seconded, to adopt the minutes of the Regular Meeting of October 13, 1992. The motion was adopted 5-0 vote.

5. APPEALS TO HEALTH SERVICE BOARD -

   Commissioner Paretchan presented the appeals report for October (Exhibit 'A') and appeals to the Board for the month of October. After discussion of each of the appeals to the Board, the following actions on appeals were taken:

   Commissioner Deignan made a motion, which was seconded, to accept the recommendation to deny the appeals. The motion was adopted 5-0 vote.

   a. Appeal of Denial to Cancel Medical Coverage -

      HSS No. 94788

      Action: Denied

   b. Appeal of Denial to Enroll into a Dental Plan and to Lift Exemption -

      HSS No. 28744

      Action: Denied

5. APPEALS TO HEALTH SERVICE BOARD - (cont'd.)

   c. Appeal of Denial to Cancel Employee Paid Dental -

      HSS No. 28561

      Action: Denied

      HSS No. 74602

      Action: Denied

   d. Appeal of Denial to Enroll into a Dental Plan

      HSS No. 82361

      Action: Denied

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON -

   Mr. Tito Rael, Rael & Letson, reported the City Plan I experience through October (Exhibit 'B') reflecting a loss ratio of 102% for the month (98% year to date) on medical benefits, 96% on prescription drugs (102% year to date), 90% on vision benefits (92% year to date) and an overall loss ratio of 101% (98% year to date).

   In response to a question on the effect of the claims backlog, he indicated that the experience will affect the experience report but the backlog has been factored into the reserve requirement on the balance sheet. This question led to discussion of the Financial Statements for 1991-92. No action taken on Item No. 6.

   Note: Item No. 8c was taken out of order at this time.

8. New Business -

   c. Review of Financial Statement for 1991-92 Fiscal Year -

      Mr. Rael indicated that the item titled Reserves for Claims-Plan I under Liabilities on the Statement of Net Assets was increased by the value of one week's claims to account for the abnormal claims backlog.

      Mr. Smith presented a recap of the financial activity for 1991-92 (Exhibit 'C') reflecting $137.2 million in revenues and $141.4 million in expenditures resulting in a net decrease of $2.4 million to the unreserved fund balance.

      The $4.2 million loss was the result of the increase in the Reserve for Incurred but unpaid claims ($1.5 million), the net loss between claim expenditures and interest earnings ($1.3 million) and the agreement with the unions to subsidize the HMO employee rate ($1.4 million). (Information Item Only).

7. OLD BUSINESS -

   a. Proposed Rule Change Providing for the Addition of Dependents to Surviving Spouse Coverage - (continued from 10/13/92)

      A proposed rule change providing for the addition of eligible dependents by a surviving spouse was presented.

7. OLD BUSINESS - (cont'd.)

After discussion including the recommendation by the actuary that enrollment only be allowed during open enrollment, Commissioner Loos made a motion, which was seconded, to amend the proposed rule to provide for enrollment during the open enrollment period only (Exhibit 'D'). The rule as amended was adopted (5-0 vote).

8. NEW BUSINESS -

a. Consideration of Rate Increase Request of Santa Rosa Memorial Hospital -

Staff requested continuance of this item to the December meeting. Without objection, it was so ordered.

b. Consideration of PPO Contract with Children's Hospital Oakland -

Mr. Smith presented a proposal (Exhibit 'E') from Children's Hospital Oakland which indicated interest in entering into a contract with the System to provide pediatric hospital services in the East Bay where the System currently lacks pediatric preferred provider coverage.

After discussion, Commissioner Paretchan made a motion, which was seconded, to authorize entering into a contract with Children's Hospital Oakland based on the proposal presented. The motion was adopted (5-0 vote).

c. Review of Financial Statement for 1991-92 Fiscal Year -

This item was taken out of order earlier on the agenda.

9. SUPPLEMENTAL AGENDA - None

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following items:

a. The outstanding claim count has remained high at 17,628 versus 16,997 in September. This is approximately a 16 1/2 day backlog.

b. The proposal of the Transport Workers Union to contract with them for the provision of the Delta Dental Plan through us has been referred to the City Attorney to determine any legal or other problems.

c. Negotiations are continuing on the hospital contracts with Children's, PMC, and Mills-Peninsula.

Note: Commissioner Loos left the meeting during presentation of this item.

11. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

President Zvanski recognized Ms. Roulette, a retired employee, who inquired about the City Attorney's opinion letter. President Zvanski indicated that it had been received. Ms. Roulette requested that the letter be released to interested parties. Commissioner Paretchan made a motion, which was seconded, to make the letter available to retirees and other interested parties. The motion was adopted on 4-0 vote.

12. ADJOURNMENT -

There being no further business, President Zvanski adjourned the meeting at 5:03 P.M.

Randall B. Smith
Executive Director

REPORT BY ACTUARY ON CASH BASIS FOR THE November 10, 1992
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1992 through October 31, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 4,698,343 | $ 4,638,676 | 111% | 99% |
| Retired Employees (NM) | 2,597,411 | 2,660,008 | 90 | 102 |
| Retired Employees (M) | 1,287,831 | 1,210,088 | 114 | 94 |
| Adult Dependents (NM) | 2,399,177 | 2,353,220 | 112 | 98 |
| Adult Dependents (M) | 304,406 | 228,639 | 75 | 75 |
| Minor Dependents | 1,384,798 | 1,284,355 | 75 | 93 |
| TOTAL | $12,671,966 | $12,374,986 | 102% | 98% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 826,746 | $ 938,982 | 112% | 114% |
| Retired Employees (NM) | 352,144 | 352,082 | 91 | 100 |
| Retired Employees (M) | 1,193,977 | 1,122,196 | 87 | 94 |
| TOTAL | $ 2,372,867 | $ 2,413,260 | 96% | 102% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 138,613 | $ 128,788 | 97% | 93% |
| Retired Employees (NM) | 41,497 | 42,852 | 76 | 103 |
| Retired Employees (M) | 98,783 | 83,631 | 88 | 85 |
| TOTAL | $ 278,893 | $ 255,271 | 90% | 92% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 5,663,702 | $ 5,706,446 | 111% | 101% |
| Retired Employees (NM) | 2,991,052 | 3,054,942 | 89 | 102 |
| Retired Employees (M) | 2,580,591 | 2,415,915 | 101 | 94 |
| Adult Dependents (NM) | 2,399,177 | 2,353,220 | 112 | 98 |
| Adult Dependents (M) | 304,406 | 228,639 | 75 | 75 |
| Minor Dependents | 1,384,798 | 1,284,355 | 75 | 93 |
| TOTAL | $15,323,726 | $15,043,517 | 101% | 98% |

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

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**TUESDAY, DECEMBER 8, 1992 - 4:00 P.M.**

**AGENDA**

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   President Zvanski
   Vice President Deignan
   Commissioner Foster
   Commissioner Gonzalez
   Commissioner Loos
   Commissioner Krueger
   Commissioner Paretchan

4. Minutes of Regular Meeting of November 10, 1992, submitted for approval -

   Action:

5. Consent Calendar

   All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Health Service Board and will be acted upon by a single roll call vote of the Board. There will be no separate discussion of these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

   a. Appeal of Denial to Transfer to Exempt Status from Kaiser

      HSS No. 83500

      Action:

      HSS No. 00432

      Action:

   b. Appeal of Denial to Enroll into a Dental Plan

      HSS No. 22200

      Action:

HSS No. 23468

Action:

HSS No. 21199

Action:

c. Appeal of Denial to Add Dependents to DentiCare

HSS No. 09567

Action:

d. Appeal of Denial to Transfer from DentiCare to Delta

HSS No. 16270

Action:

e. Appeal of Denial to Lift Exemption and Enroll into a Medical Plan

HSS No. 41591

Action:

6. Actuarial Consultant's Report - Rael & Letson

Action:

7. Report of Rules Committee - Commissioner Krueger, Chair

a. Recommendation of Rules Committee on Amendment of Rules of Coverage to Provide Coverage for Transplantations Under Certain Limitations -

Board Action:

8. Old Business -

a. Consideration of Rate Increase Request of Santa Rosa Memorial Hospital (continued from 11/10/92)

Board Action:

9. New Business -

a. Consideration of Rate Increase Request of Mills-Peninsula Health System.

Board Action:

10. Supplemental Agenda -

11. Executive Director's Report/Communications -

12. Announcements/Other Public Comment -

13. Adjournment -

**Disability Access**

The Health Service Board meeting room on the fourth floor is wheelchair accessible. Large print copies of the agenda can be made available; please contact Mila Palarca at (415) 554-1700 at least two business days in advance of need. In order to allow individuals with environmental illness to attend meetings, individuals are requested to refrain from wearing perfume or other scented products.

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**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

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**TUESDAY, DECEMBER 8, 1992 - 4:00 P.M.**

**AGENDA** - Actions Taken

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call:

   Present: President Zvanski, Vice President Deignan, Commissioner Loos, Commissioner Paretchan

   Absent: Commissioner Foster, Excused; Commissioner Gonzalez, Excused; Commissioner Krueger, Excused

4. Minutes of Regular Meeting of November 10, 1992, submitted for approval -

   Action: Approved (4-0 vote)

5. Consent Calendar

   All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Health Service Board and will be acted upon by a single roll call vote of the Board. There will be no separate discussion of these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

   a. Appeal of Denial to Transfer to Exempt Status from Kaiser

      HSS No. 83500
      HSS No. 00432

   b. Appeal of Denial to Enroll into a Dental Plan

      HSS No. 22200
      HSS No. 23468
      HSS No. 21199

   c. Appeal of Denial to Add Dependents to DentiCare

      HSS No. 09567

d. Appeal of Denial to Transfer from DentiCare to Delta

HSS No. 16270

e. Appeal of Denial to Lift Exemption and Enroll into a Medical Plan

HSS No. 41591

Board Action: Consent Calendar Adopted (4-0 vote)

6. Actuarial Consultant's Report - Rael & Letson

Board Action: Information Item Only

7. Report of Rules Committee -

a. Recommendation of Rules Committee on Amendment of Rules of Coverage to Provide Coverage for Transplantations Under Certain Limitations -

Board Action: Approved Rules Committee Recommendation (4-0 vote)

8. Old Business -

a. Consideration of Rate Increase Request of Santa Rosa Memorial Hospital - (continued from 11/10/92)

Board Action: Authorize staff to enter into contract through PHN or Interplan (4-0).

9. New Business -

a. Consideration of Rate Increase Request of Mills-Peninsula Health System.

Board Action: Approved (4-0 vote)

10. Supplemental Agenda -

Section 54954.2(b)(2) of the Goverment Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted a specified in subdivision(a).

a. Consideration of Amendment to Washington Hospital Contract to Provide for Reduction in Per Diem Rates to Account for Separate Professional Fee Billing -

Board Action: Approved Modification to Contract (4-0 vote)

11. Executive Director's Report/Communications -

12. Announcements/Other Public Comment -

13. Adjournment -

**HEALTH SERVICE SYSTEM**
**REGULAR MEETING OF THE HEALTH SERVICE BOARD**
**OF THE CITY AND COUNTY OF SAN FRANCISCO**
**HELD IN THE BOARD MEETING ROOM**
**1155 MARKET STREET, FOURTH FLOOR**
**SAN FRANCISCO, CALIFORNIA**

TUESDAY - DECEMBER 8, 1992 - 4:00 P.M.

1. CALL TO ORDER - President Zvanski called the meeting to order at 4:04 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: President Zvanski
   Vice President Deignan
   Commissioner Loos
   Commissioner Paretchan

   Absent: Commissioner Foster (Excused)
   Commissioner Gonzalez (Excused)
   Commissioner Krueger (Excused)

4. MINUTES OF THE REGULAR MEETING OF NOVEMBER 10, 1992, SUBMITTED FOR APPROVAL -

   Commissioner Paretchan made a motion, which was seconded, to adopt the minutes of the Regular Meeting of November 10, 1992. The motion was adopted 4-0 vote.

5. Consent Calendar

   All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Health Service Board and will be acted upon by a single roll call vote of the Board. There will be no separate discussion of these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item. (Note: An Afffirmative Action on the Consent Calendar is to sustain the denial of the Appeal by Staff)

   a. Appeal of Denial to Transfer to Exempt Status from Kaiser

      HSS No. 83500
      HSS No. 00432

   b. Appeal of Denial to Enroll into a Dental Plan

      HSS No. 22200
      HSS No. 23468
      HSS No. 21199

c. Appeal of Denial to Add Dependents to DentiCare

HSS No. 09567

d. Appeal of Denial to Transfer from DentiCare to Delta

HSS No. 16270

e. Appeal of Denial to Lift Exemption and Enroll into a Medical Plan

HSS No. 41591

There being no request by a Board Member to consider any item separately, Commissioner Paretchan made a motion, which was seconded, to accept the Consent Calendar and deny all appeals. The motion was adopted 4-0 vote.

6. ACTUARIAL CONSULTANT'S REPORT - RAEL & LETSON -

Mr. Tito Rael, Rael & Letson, reported that the City Plan I experience was not available for November. Mr. Smith explained that a computer conversion caused the delay and that the report should be available next week. Note: The Actuarial Report for November is enclosed (Exhibit 'A').

Mr. Rael indicated that the Board would be sent the 1991-92 Actuarial Report at the end of this week. He discussed the high claims impact for 1991-92 and the issue of the viability of stop loss insurance for the Trust. (Information Item Only).

7. REPORT OF RULES COMMITTEE

a. Recommendation of Rules Committee on Amendment of Rules of Coverage to Provide Coverage for Transplantation Under Certain Limitations -

President Zvanski reported in the absence of Commissioner Krueger that the Rules Committee met on December 3, 1992 and has recommended a Rules language change on transplantations (Exhibit 'B').

After discussion and clarification on the lifetime benefit limit, Commissioner Loos made a motion, which was seconded, to approve the rule changes as amended and recommended by the Rules Committee. The motion was adopted 4-0 vote.

8. OLD BUSINESS -

c. Consideration of Rate Increase Request of Santa Rosa Memorial Hospital (continued from 11/10/92).

Mr. Smith advised the Board of the current status of this contract and asked the Board to authorize staff to enter into a contract with the hospital either under the PHN proposal or through Interplan if it is determined that contract would be more beneficial. Commissioner Paretchan made a motion, which was seconded, to authorize staff to enter into a contract with Santa Rosa Memorial based on the more beneficial contract. The motion was adopted 4-0 vote.

9. NEW BUSINESS -

a. Consideration of Rate Increase Request of Mills-Peninsula Health System.

Mr. Smith presented the rate renewal proposal of Mills - Peninsula Hospitals reflecting a 10% increase effective July 1, 1992. Negotiations had gone on for some time and the hospital has served the System with a 120-day termination notice effective November 6, 1992.

After discussion, Commissioner Loos made a motion, which was seconded to approve the rate increase effective July 1, 1992. The motion was adopted 4-0 vote.

10. SUPPLEMENTAL AGENDA -

Section 54954.2(b)(2) of the Goverment Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted a specified in subdivision(a).

Commissioner Deignan made a motion, which was seconded to hear the Supplemental Agenda. The motion was adopted 4-0 vote.

a. Consideration of Amendment to Washington Hospital Contract to Provide for Reduction in Per Diem Rates to Account for Separate Professional Fee Billing -

Mr. Smith presented a request from Washington Hospital to reduce per diems by 1.1% to accomodate the fact that the inpatient professional radiology component will be billed separately by Washington Radiology Group commencing January 1, 1993.

After discussion, Commissioner Paretchan made a motion, which was seconded, to approve the contract modification with the stipulation that the professional fee billings would be tracked for actual cost. The motion was adopted 4-0 vote.

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following items:

a. The outstanding claim count has remained high at 14,641 versus 17,628 in October, however the downward movement is encouraging.

b. The Joint Union / Health Service Board Task Force is scheduled to meet on December 17, 1992 at 11:00 AM at 1390 Market St., Suite 213.

c. Colonial Life has announced its merger with UNUM Corporation of Portland, Maine.

d. The System is currently working with the Budget Analyst and Controller on determining the number of employees on leaves without pay and the types of leaves.

e. Staff is pursuing selective contracts for home infusion therapy and magnetic resource imaging.

12. ANNOUNCEMENTS/OTHER PUBLIC COMMENT -

a. President Zvanski set a Rates & Benefits Committee for December 22, 1992 at 9:00 AM.

b. President Zvanski recognized Mr. Dennis Kruger, Local 798 who indicated that he received the Rules Committee Agenda late.

c. President Zvanski recognized Mr. Rene Hernandez who inquired about his appeal acted on earlier on the agenda. After Mr. Hernandez related his situation, President Zvanski suggested that he pursue his case with the Transport Workers Union and the Workers Compensation Division as it was apparent that his grievance was directly related to a work injury.

Note: Commissioner Loos left the meeting during discussion of this item. There no longer existed a quorum at this time.

13. ADJOURNMENT -

There being no further business, President Zvanski adjourned the meeting at 5:10 P.M.

Randall B. Smith
Executive Director

**REPORT BY ACTUARY ON CASH BASIS FOR THE DECEMBER 8, 1992**
**MEETING OF THE HEALTH SERVICE BOARD**

**PLAN I**

Experience for the period July 1, 1992 through November 30, 1992

| | CONTRIBUTIONS | CLAIMS | LOSS RATIO FOR MONTH | LOSS RATIO CUMULATIVE |
|---|---|---|---|---|
| (1) MEDICAL BENEFITS | | | | |
| Active Employees | $ 6,244,821 | $ 5,623,142 | 64% | 85% |
| Retired Employees (NM) | 3,242,947 | 3,101,324 | 68 | 96 |
| Retired Employees (M) | 1,612,537 | 1,455,276 | 76 | 90 |
| Adult Dependents (NM) | 3,134,757 | 2,886,755 | 73 | 92 |
| Adult Dependents (M) | 381,455 | 273,669 | 58 | 72 |
| Minor Dependents | 1,812,604 | 1,480,679 | 46 | 82 |
| TOTAL | $16,429,121 | $14,820,845 | 65% | 90% |
| (2) PRESCRIPTION DRUG BENEFIT | | | | |
| Active Employees | $ 1,101,964 | $ 1,146,070 | 75% | 104% |
| Retired Employees (NM) | 439,828 | 428,486 | 87 | 97 |
| Retired Employees (M) | 1,495,024 | 1,379,468 | 85 | 92 |
| TOTAL | $ 3,036,816 | $ 2,954,024 | 81% | 97% |
| (3) VISION CARE BENEFIT | | | | |
| Active Employees | $ 184,297 | $ 153,527 | 54% | 83% |
| Retired Employees (NM) | 51,793 | 50,405 | 73 | 97 |
| Retired Employees (M) | 123,669 | 101,091 | 70 | 82 |
| TOTAL | $ 359,759 | $ 305,023 | 62% | 85% |
| (4) ALL COVERAGES | | | | |
| Active Employees | $ 7,531,082 | $ 6,922,739 | 65% | 92% |
| Retired Employees (NM) | 3,734,568 | 3,580,215 | 71 | 96 |
| Retired Employees (M) | 3,231,230 | 2,935,835 | 80 | 91 |
| Adult Dependents (NM) | 3,134,757 | 2,886,755 | 73 | 92 |
| Adult Dependents (M) | 381,455 | 273,669 | 58 | 72 |
| Minor Dependents | 1,812,604 | 1,480,679 | 46 | 82 |
| TOTAL | $19,825,696 | $18,079,892 | 67% | 91% |